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| Adopted | Rejected |
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## COMMITTEE REPORT

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|------|---|
| YES: | 7 |
| NO:  | 2 |

### MR. SPEAKER:

*Your Committee on* **Interstate and International Cooperation**, to which was referred  
**Senate Bill 374**, has had the same under consideration and begs leave to report the same  
back to the House with the recommendation that said bill **be amended** as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning state
- 3 and local administration and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-4-11-15.6, AS ADDED BY P.L.214-2005,
- 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 UPON PASSAGE]: Sec. 15.6. In addition to the powers listed in
- 9 section 15 of this chapter, the authority may:
- 10 (1) issue bonds under terms and conditions determined by the
- 11 authority and use the proceeds of the bonds to acquire obligations
- 12 issued by any entity authorized to acquire, finance, construct, or
- 13 lease capital improvements under IC 5-1-17; ~~and~~
- 14 (2) issue bonds under terms and conditions determined by the
- 15 authority and use the proceeds of the bonds to acquire any
- 16 obligations issued by the northwest Indiana regional development

authority established by IC 36-7.5-2-1; **and**  
**(3) issue bonds under terms and conditions determined by the**  
**authority and use the proceeds of the bonds to acquire any**  
**obligations issued by a regional transportation district**  
**established under IC 8-24-2."**

Page 1, line 17, after "Production" insert "**or Livestock Feed**".

Page 2, line 4, delete "." and insert "**or as feed for livestock.**".

Page 2, delete lines 7 through 10, begin a new paragraph and insert:

**"Sec. 4. As used in this chapter, "vegetation" refers to grasses**  
**or other plants that:**

**(1) are suitable for processing into fuels or other energy**  
**products; or**

**(2) may be used to feed livestock."**

Page 2, line 11, after "Sec. 5." insert "**(a)**".

Page 2, line 15, delete "." and insert "**or for use as feed for**  
**livestock."**

Page 2, between lines 15 and 16, begin a new paragraph and insert:

**"(b) Before entering into a lease under this chapter, an agency**  
**shall consult with the invasive species council established by**  
**IC 15-16-10-3 in order to obtain recommendations from the**  
**council concerning the appropriateness of the vegetation proposed**  
**to be planted under the terms of the lease."**

Page 2, line 23, delete "." and insert "**or as feed for livestock.**".

Page 2, between lines 25 and 26, begin a new line block indented  
and insert:

**"(5) The lessee may not plant vegetation to replace existing**  
**native forest communities."**

Page 2, between lines 36 and 37, begin a new paragraph and insert:

**"SECTION 4. IC 5-1.5-1-8, AS AMENDED BY P.L.232-2007,**  
**SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**  
**UPON PASSAGE]: Sec. 8. "Qualified entity" means:**

**(1) a political subdivision (as defined in IC 36-1-2-13);**

**(2) a state educational institution;**

**(3) a leasing body (as defined in IC 5-1-1-1(a));**

**(4) a not-for-profit utility (as defined in IC 8-1-2-125);**

**(5) any rural electric membership corporation organized under**  
**IC 8-1-13;**

**(6) any corporation that was organized in 1963 under Acts 1935,**

- 1 c. 157 and that engages in the generation and transmission of
- 2 electric energy;
- 3 (7) any telephone cooperative corporation formed under
- 4 IC 8-1-17;
- 5 (8) any commission, authority, or authorized body of any qualified
- 6 entity;
- 7 (9) any organization, association, or trust with members,
- 8 participants, or beneficiaries that are all individually qualified
- 9 entities;
- 10 (10) any commission, authority, or instrumentality of the state;
- 11 (11) any other participant (as defined in IC 13-11-2-151.1);
- 12 (12) a charter school established under IC 20-5.5 (before its
- 13 repeal) or IC 20-24 that is not a qualified entity under
- 14 IC 5-1.4-1-10;
- 15 (13) a volunteer fire department (as defined in IC 36-8-12-2); ~~or~~
- 16 (14) a development authority (as defined in IC 36-7.6-1-8); **or**
- 17 **(15) a regional transportation district established under**
- 18 **IC 8-24-2.**
- 19 SECTION 5. IC 5-11-10-1, AS AMENDED BY P.L.2-2007,
- 20 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 21 UPON PASSAGE]: Sec. 1. (a) This section applies to the state and its
- 22 political subdivisions. However, this section does not apply to the
- 23 following:
- 24 (1) A state educational institution, including Ivy Tech Community
- 25 College **of Indiana.**
- 26 (2) A municipality (as defined in IC 36-1-2-11).
- 27 (3) A county.
- 28 (4) An airport authority operating in a consolidated city.
- 29 (5) A capital improvements board of managers operating in a
- 30 consolidated city.
- 31 (6) A board of directors of a public transportation corporation
- 32 operating in a consolidated city.
- 33 (7) A municipal corporation organized under IC 16-22-8-6.
- 34 (8) A public library.
- 35 (9) A library services authority.
- 36 (10) A hospital organized under IC 16-22 or a hospital organized
- 37 under IC 16-23.
- 38 (11) A school corporation (as defined in IC 36-1-2-17).

(12) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).

(13) A municipally owned utility (as defined in IC 8-1-2-1).

(14) A board of an airport authority under IC 8-22-3.

(15) A conservancy district.

(16) A board of aviation commissioners under IC 8-22-2.

(17) A public transportation corporation under IC 36-9-4.

(18) A commuter transportation district under IC 8-5-15.

(19) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).

(20) A county building authority under IC 36-9-13.

(21) A soil and water conservation district established under IC 14-32.

(22) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.

**(23) A regional transportation district established under IC 8-24-2.**

(b) No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law.

(c) The certificate provided for in subsection (b) is not required for:

(1) claims rendered by a public utility for electric, gas, steam, water, or telephone services, the charges for which are regulated by a governmental body;

(2) a warrant issued by the auditor of state under IC 4-13-2-7(b);

(3) a check issued by a special disbursing officer under IC 4-13-2-20(g); or

(4) a payment of fees under IC 36-7-11.2-49(b) or IC 36-7-11.3-43(b).

(d) The disbursing officer shall issue checks or warrants for all claims which meet all of the requirements of this section. The disbursing officer does not incur personal liability for disbursements:

(1) processed in accordance with this section; and

(2) for which funds are appropriated and available.

(e) The certificate provided for in subsection (b) must be in the following form:

1 I hereby certify that the foregoing account is just and correct, that  
 2 the amount claimed is legally due, after allowing all just credits,  
 3 and that no part of the same has been paid.

4 SECTION 6. IC 5-11-10-1.6, AS AMENDED BY P.L.169-2006,  
 5 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 UPON PASSAGE]: Sec. 1.6. (a) As used in this section, "governmental  
 7 entity" refers to any of the following:

- 8 (1) A municipality (as defined in IC 36-1-2-11).
- 9 (2) A school corporation (as defined in IC 36-1-2-17), including  
 10 a school extracurricular account.
- 11 (3) A county.
- 12 (4) A regional water or sewer district organized under IC 13-26  
 13 or under IC 13-3-2 (before its repeal).
- 14 (5) A municipally owned utility that is subject to IC 8-1.5-3 or  
 15 IC 8-1.5-4.
- 16 (6) A board of an airport authority under IC 8-22-3.
- 17 (7) A board of aviation commissioners under IC 8-22-2.
- 18 (8) A conservancy district.
- 19 (9) A public transportation corporation under IC 36-9-4.
- 20 (10) A commuter transportation district under IC 8-5-15.
- 21 (11) The state.
- 22 (12) A solid waste management district established under  
 23 IC 13-21 or IC 13-9.5 (before its repeal).
- 24 (13) A levee authority established under IC 14-27-6.
- 25 (14) A county building authority under IC 36-9-13.
- 26 (15) A soil and water conservation district established under  
 27 IC 14-32.
- 28 (16) The northwestern Indiana regional planning commission  
 29 established by IC 36-7-7.6-3.
- 30 **(17) A regional transportation district established under**  
 31 **IC 8-24-2.**

32 (b) As used in this section, "claim" means a bill or an invoice  
 33 submitted to a governmental entity for goods or services.

34 (c) The fiscal officer of a governmental entity may not draw a  
 35 warrant or check for payment of a claim unless:

- 36 (1) there is a fully itemized invoice or bill for the claim;
- 37 (2) the invoice or bill is approved by the officer or person  
 38 receiving the goods and services;

(3) the invoice or bill is filed with the governmental entity's fiscal officer;

(4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim.

This subsection does not prohibit a school corporation, with prior approval of the board having jurisdiction over allowance of payment of the claim, from making payment in advance of receipt of services as allowed by guidelines developed under IC 20-20-13-10. This subsection does not prohibit a municipality from making meal expense advances to a municipal employee who will be traveling on official municipal business if the municipal fiscal body has adopted an ordinance allowing the advance payment, specifying the maximum amount that may be paid in advance, specifying the required invoices and other documentation that must be submitted by the municipal employee, and providing for reimbursement from the wages of the municipal employee if the municipal employee does not submit the required invoices and documentation.

(d) The fiscal officer of a governmental entity shall issue checks or warrants for claims by the governmental entity that meet all of the requirements of this section. The fiscal officer does not incur personal liability for disbursements:

(1) processed in accordance with this section; and

(2) for which funds are appropriated and available.

(e) The certification provided for in subsection (c)(4) must be on a form prescribed by the state board of accounts."

Page 3, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 8. IC 6-1.1-20-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. As used in this chapter, "property taxes" means a property tax rate or levy to pay debt service or to pay lease rentals, but does not include taxes allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, **IC 8-24-14-6**, IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53.

SECTION 9. IC 6-1.1-21.2-3, AS AMENDED BY P.L.146-2008, SECTION 231, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter,

1 "allocation area" refers to an area that is established under the authority  
 2 of any of the following statutes and in which tax increment revenues  
 3 are collected:

- 4 ~~(1)~~ IC 6-1.1-39
- 5 ~~(2)~~ IC 8-22-3.5
- 6 **IC 8-24-14**
- 7 ~~(3)~~ IC 36-7-14
- 8 ~~(4)~~ IC 36-7-14.5
- 9 ~~(5)~~ IC 36-7-15.1
- 10 ~~(6)~~ IC 36-7-30
- 11 ~~(7)~~ IC 36-7-30.5

12 SECTION 10. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008,  
 13 SECTION 232, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this chapter, "base  
 15 assessed value" means the base assessed value as that term is defined  
 16 or used in:

- 17 ~~(1)~~ IC 6-1.1-39-5(h)
- 18 ~~(2)~~ IC 8-22-3.5-9(a)
- 19 ~~(3)~~ IC 8-22-3.5-9.5
- 20 **IC 8-24-1-4**
- 21 **IC 8-24-14-6**
- 22 ~~(4)~~ IC 36-7-14-39(a)
- 23 ~~(5)~~ IC 36-7-14-39.2
- 24 ~~(6)~~ IC 36-7-14-39.3(c)
- 25 ~~(7)~~ IC 36-7-14-48
- 26 ~~(8)~~ IC 36-7-14.5-12.5
- 27 ~~(9)~~ IC 36-7-15.1-26(a)
- 28 ~~(10)~~ IC 36-7-15.1-26.2(c)
- 29 ~~(11)~~ IC 36-7-15.1-35(a)
- 30 ~~(12)~~ IC 36-7-15.1-35.5
- 31 ~~(13)~~ IC 36-7-15.1-53
- 32 ~~(14)~~ IC 36-7-15.1-55(c)
- 33 ~~(15)~~ IC 36-7-30-25(a)(2)
- 34 ~~(16)~~ IC 36-7-30-26(c)
- 35 ~~(17)~~ IC 36-7-30.5-30 ~~or~~
- 36 ~~(18)~~ IC 36-7-30.5-31

37 SECTION 11. IC 6-1.1-21.2-5, AS AMENDED BY P.L.146-2008,  
 38 SECTION 233, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter,  
"district" refers to the following:

- (1) An economic development district under IC 6-1.1-39.
- (2) An eligible entity (as defined in IC 8-22-3.5-2.5).
- (3) A regional transportation district established under IC 8-24-2.**
- ~~(3)~~ **(4)** A redevelopment district, for an allocation area established under:
  - (A) IC 36-7-14; or
  - (B) IC 36-7-15.1.
- ~~(4)~~ **(5)** A special taxing district, as described in:
  - (A) IC 36-7-14.5-12.5(d); or
  - (B) IC 36-7-30-3(b).
- ~~(5)~~ **(6)** A military base development area under IC 36-7-30.5-16.

SECTION 12. IC 6-1.1-21.2-6, AS AMENDED BY P.L.146-2008,  
SECTION 234, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter,  
"governing body" means the following:

- (1) For an allocation area created under IC 6-1.1-39, the fiscal body of the county (as defined in IC 36-1-2-6).
- (2) For an allocation area created under IC 8-22-3.5, the commission (as defined in IC 8-22-3.5-2).
- (3) For an allocation area created under IC 8-24-14, the board (as defined in IC 8-24-1-5).**
- ~~(3)~~ **(4)** For an allocation area created under IC 36-7-14, the redevelopment commission.
- ~~(4)~~ **(5)** For an allocation area created under IC 36-7-14.5, the redevelopment authority.
- ~~(5)~~ **(6)** For an allocation area created under IC 36-7-15.1, the metropolitan development commission.
- ~~(6)~~ **(7)** For an allocation area created under IC 36-7-30, the military base reuse authority.
- ~~(7)~~ **(8)** For an allocation area created under IC 36-7-30.5, the military base development authority.

SECTION 13. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008,  
SECTION 236, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE UPON PASSAGE]: Sec. 7. As used in this chapter,  
"property taxes" means **the following**:



(1) Property taxes, as defined in **the following:**

(A) IC 6-1.1-39-5(g).

**(B) IC 8-24-1-10.**

~~(B)~~ (C) IC 36-7-14-39(a).

~~(C)~~ (D) IC 36-7-14-39.2.

~~(D)~~ (E) IC 36-7-14-39.3(c).

~~(E)~~ (F) IC 36-7-14.5-12.5.

~~(F)~~ (G) IC 36-7-15.1-26(a).

~~(G)~~ (H) IC 36-7-15.1-26.2(c).

~~(H)~~ (I) IC 36-7-15.1-53(a).

~~(I)~~ (J) IC 36-7-15.1-55(c).

~~(J)~~ (K) IC 36-7-30-25(a)(3).

~~(K)~~ (L) IC 36-7-30-26(c).

~~(L)~~ (M) IC 36-7-30.5-30. ~~or~~

~~(M)~~ (N) IC 36-7-30.5-31. ~~or~~

(2) For allocation areas created under IC 8-22-3.5, the taxes assessed on taxable tangible property in the allocation area.

SECTION 14. IC 6-1.1-21.2-8, AS AMENDED BY P.L.146-2008, SECTION 237, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. As used in this chapter, "special fund" means **the following:**

(1) The special funds referred to in IC 6-1.1-39-5.

(2) The special funds referred to in IC 8-22-3.5-9(e).

**(3) The special funds referred to in IC 8-24-14-6.**

~~(3)~~ (4) The allocation fund referred to in IC 36-7-14-39(b)(2).

~~(4)~~ (5) The allocation fund referred to in IC 36-7-14.5-12.5(d).

~~(5)~~ (6) The special fund referred to in IC 36-7-15.1-26(b)(2).

~~(6)~~ (7) The special fund referred to in IC 36-7-15.1-53(b)(2).

~~(7)~~ (8) The allocation fund referred to in IC 36-7-30-25(b)(2). ~~or~~

~~(8)~~ (9) The allocation fund referred to in IC 36-7-30.5-30(b)(2).

SECTION 15. IC 6-3.5-1.1-15, AS AMENDED BY P.L.146-2008, SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

(2) the current ad valorem property tax levy of any special taxing

district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of a county, an amount equal to the welfare allocation amount.

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter or IC 6-3.5-6 in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be ~~allocated only among~~ **used to:**

**(1) make distributions of certified shares to the county's civil taxing units under subsection (c); or**

**(2) fund the operation or other projects of a regional transportation district as provided in an election, if any, made by a county fiscal body under IC 8-24-13-4.**

(c) Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares **that is not distributed under subsection (b)(2)** by the STEP ONE amount.

~~(c)~~ (d) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority,

board, or other entity shall not be treated as having an attributed allocation amount of its own. The local government tax control board shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

~~(d)~~ (e) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount.

SECTION 16. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i);
- (6) make distributions of distributive shares to the civil taxing units of a county; ~~and~~
- (7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter; **and**
- (8) fund the operation or other projects of a regional transportation district as provided in an election, if any, made by a county fiscal body under IC 8-24-13-4.**

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a

manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 17. IC 6-3.5-7-5, AS AMENDED BY P.L.146-2008, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on March 31 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on March 31 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6

1 concerning the imposition of the county option income tax.

2 (b) Except as provided in subsections (c), (g), (k), (p), and (r) and  
3 ~~section sections~~ **sections 28 and 34** of this chapter, the county economic  
4 development income tax may be imposed at a rate of:

- 5 (1) one-tenth percent (0.1%);
- 6 (2) two-tenths percent (0.2%);
- 7 (3) twenty-five hundredths percent (0.25%);
- 8 (4) three-tenths percent (0.3%);
- 9 (5) thirty-five hundredths percent (0.35%);
- 10 (6) four-tenths percent (0.4%);
- 11 (7) forty-five hundredths percent (0.45%); or
- 12 (8) five-tenths percent (0.5%);

13 on the adjusted gross income of county taxpayers.

14 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),  
15 (p), (s), (v), (w), (x), or (y), the county economic development income  
16 tax rate plus the county adjusted gross income tax rate, if any, that are  
17 in effect on January 1 of a year may not exceed one and twenty-five  
18 hundredths percent (1.25%). Except as provided in subsection (g), (p),  
19 (r), (t), (u), (w), (x), or (y), the county economic development tax rate  
20 plus the county option income tax rate, if any, that are in effect on  
21 January 1 of a year may not exceed one percent (1%).

22 (d) To impose, increase, decrease, or rescind the county economic  
23 development income tax, the appropriate body must, after March 31  
24 but before August 1 of a year, adopt an ordinance. The ordinance to  
25 impose the tax must substantially state the following:

26 "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic  
27 development income tax on the county taxpayers of \_\_\_\_\_  
28 County. The county economic development income tax is imposed at  
29 a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the  
30 county. This tax takes effect October 1 of this year."

31 (e) Any ordinance adopted under this chapter takes effect October  
32 1 of the year the ordinance is adopted.

33 (f) The auditor of a county shall record all votes taken on ordinances  
34 presented for a vote under the authority of this chapter and shall, not  
35 more than ten (10) days after the vote, send a certified copy of the  
36 results to the commissioner of the department by certified mail.

37 (g) This subsection applies to a county having a population of more  
38 than one hundred forty-eight thousand (148,000) but less than one

hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900); except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or



1 (B) the county option income tax rate that are in effect on  
 2 January 1 of a year may not exceed one and twenty-five  
 3 hundredths percent (1.25%);

4 if the county council makes a determination to impose rates under this  
 5 subsection and section 24 of this chapter.

6 (p) In addition:

7 (1) the county economic development income tax may be imposed  
 8 at a rate that exceeds by not more than twenty-five hundredths  
 9 percent (0.25%) the maximum rate that would otherwise apply  
 10 under this section; and

11 (2) the:

12 (A) county economic development income tax; and

13 (B) county option income tax or county adjusted gross income  
 14 tax;

15 may be imposed at combined rates that exceed by not more than  
 16 twenty-five hundredths percent (0.25%) the maximum combined  
 17 rates that would otherwise apply under this section.

18 However, the additional rate imposed under this subsection may not  
 19 exceed the amount necessary to mitigate the increased ad valorem  
 20 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 before  
 21 January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or  
 22 residential property (as defined in section 26 of this chapter), as  
 23 appropriate under the ordinance adopted by the adopting body in the  
 24 county, resulting from the deduction of the assessed value of inventory  
 25 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the  
 26 exclusion in 2008 of inventory from the definition of personal property  
 27 in IC 6-1.1-1-11.

28 (q) If the county economic development income tax is imposed as  
 29 authorized under subsection (p) at a rate that exceeds the maximum  
 30 rate that would otherwise apply under this section, the certified  
 31 distribution must be used for the purpose provided in section 25(e) or  
 32 26 of this chapter to the extent that the certified distribution results  
 33 from the difference between:

34 (1) the actual county economic development tax rate; and

35 (2) the maximum rate that would otherwise apply under this  
 36 section.

37 (r) This subsection applies only to a county described in section 27  
 38 of this chapter. Except as provided in subsection (p), in addition to the

- 1 rates permitted by subsection (b), the:
- 2 (1) county economic development income tax may be imposed at
- 3 a rate of twenty-five hundredths percent (0.25%); and
- 4 (2) county economic development income tax rate plus the county
- 5 option income tax rate that are in effect on January 1 of a year
- 6 may equal up to one and twenty-five hundredths percent (1.25%);
- 7 if the county council makes a determination to impose rates under this
- 8 subsection and section 27 of this chapter.
- 9 (s) Except as provided in subsection (p), the county economic
- 10 development income tax rate plus the county adjusted gross income tax
- 11 rate that are in effect on January 1 of a year may not exceed one and
- 12 five-tenths percent (1.5%) if the county has imposed the county
- 13 adjusted gross income tax under IC 6-3.5-1.1-3.3.
- 14 (t) This subsection applies to Howard County. Except as provided
- 15 in subsection (p), the sum of the county economic development income
- 16 tax rate and the county option income tax rate that are in effect on
- 17 January 1 of a year may not exceed one and twenty-five hundredths
- 18 percent (1.25%).
- 19 (u) This subsection applies to Scott County. Except as provided in
- 20 subsection (p), the sum of the county economic development income
- 21 tax rate and the county option income tax rate that are in effect on
- 22 January 1 of a year may not exceed one and twenty-five hundredths
- 23 percent (1.25%).
- 24 (v) This subsection applies to Jasper County. Except as provided in
- 25 subsection (p), the sum of the county economic development income
- 26 tax rate and the county adjusted gross income tax rate that are in effect
- 27 on January 1 of a year may not exceed one and five-tenths percent
- 28 (1.5%).
- 29 (w) An additional county economic development income tax rate
- 30 imposed under section 28 **or** 34 of this chapter may not be considered
- 31 in calculating any limit under this section on the sum of:
- 32 (1) the county economic development income tax rate plus the
- 33 county adjusted gross income tax rate; or
- 34 (2) the county economic development tax rate plus the county
- 35 option income tax rate.
- 36 (x) The income tax rate limits imposed by subsection (c) or (y) or
- 37 any other provision of this chapter do not apply to:
- 38 (1) a county adjusted gross income tax rate imposed under

1 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or  
 2 (2) a county option income tax rate imposed under IC 6-3.5-6-30,  
 3 IC 6-3.5-6-31, or IC 6-3.5-6-32.

4 For purposes of computing the maximum combined income tax rate  
 5 under subsection (c) or (y) or any other provision of this chapter that  
 6 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this  
 7 chapter, a county's county adjusted gross income tax rate or county  
 8 option income tax rate for a particular year does not include the county  
 9 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,  
 10 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate  
 11 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

12 (y) This subsection applies to Monroe County. Except as provided  
 13 in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the  
 14 sum of the county economic development income tax rate and the  
 15 county option income tax rate that are in effect on January 1 of a year  
 16 may not exceed one and twenty-five hundredths percent (1.25%).

17 SECTION 18. IC 6-3.5-7-34 IS ADDED TO THE INDIANA CODE  
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 19 UPON PASSAGE]: **Sec. 34. (a) This section applies only to a county**  
 20 **that is a member of a regional transportation district established**  
 21 **under IC 8-24-2.**

22 (b) **In addition to the rates permitted by section 5 of this**  
 23 **chapter, the entity that imposed the county economic development**  
 24 **income tax under section 5 of this chapter (or, in the case of a**  
 25 **county that has not imposed the county economic development**  
 26 **income tax, the entity that may impose the county economic**  
 27 **development income tax under section 5(a)(3) of this chapter) may**  
 28 **by ordinance impose an additional county economic development**  
 29 **income tax at a rate of:**

30 (1) **twenty-five hundredths of one percent (0.25%); or**

31 (2) **five-hundredths of one percent (0.05%);**

32 **on the adjusted gross income of county taxpayers.**

33 (c) **If an additional county economic development income tax is**  
 34 **imposed under this section, the county treasurer shall establish a**  
 35 **county regional transportation district fund. Notwithstanding any**  
 36 **other provision of this chapter, the county economic development**  
 37 **income tax revenues derived from the additional county economic**  
 38 **development income tax imposed under this section must be**

1 deposited in the county regional transportation district fund before  
 2 any certified distributions are made under section 12 of this  
 3 chapter.

4 (d) County economic development income tax revenues derived  
 5 from the additional county economic development income tax  
 6 imposed under this section and deposited in the county regional  
 7 transportation district fund:

8 (1) shall, not more than thirty (30) days after being deposited  
 9 in the county regional transportation district fund, be  
 10 transferred to the treasurer of the regional transportation  
 11 district for which the county is a member; and

12 (2) may not be considered by the department of local  
 13 government finance in determining the county's maximum  
 14 permissible property tax levy under IC 6-1.1-18.5.

15 (e) Notwithstanding sections 5 and 6 of this chapter, if a county  
 16 becomes a member of a regional transportation district under  
 17 IC 8-24-2 and imposes an additional county economic development  
 18 income tax under this section, then, notwithstanding section 11 or  
 19 any other provision of this chapter, the initial certified distribution  
 20 of the tax revenue and the certification in each subsequent year  
 21 that results from the additional tax shall be distributed to the  
 22 county treasurer from the account established for the county under  
 23 this chapter according to the following schedule during the  
 24 eighteen (18) month period beginning on July 1 of the year in  
 25 which the county adopts the ordinance to impose the additional  
 26 tax:

27 (1) One-fourth (1/4) on October 1 of the year in which the  
 28 ordinance to impose the additional tax is adopted.

29 (2) One-fourth (1/4) on January 1 of the calendar year  
 30 following the year in which the ordinance to impose the  
 31 additional tax is adopted.

32 (3) One-fourth (1/4) on May 1 of the calendar year following  
 33 the year in which the ordinance to impose the additional tax  
 34 is adopted.

35 (4) One-fourth (1/4) on November 1 of the calendar year  
 36 following the year in which the ordinance to impose the  
 37 additional tax is adopted.

38 SECTION 19. IC 8-14-2-4.5 IS ADDED TO THE INDIANA CODE

AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008 (RETROACTIVE)]: **Sec. 4.5. (a) The definitions in this subsection apply throughout this section:**

**(1)"Designated federal funds" refers to the following:**

**(A) Two hundred fifty million dollars (\$250,000,000) from the amount of the:**

**(i) federal fiscal year 2009 highway bridge program funds authorized under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law Number 109-59;**

**(ii) federal fiscal year 2009 equity bonus program funds authorized under Section 105(a) of the Title 23 of the United States Code; and**

**(iii) federal fiscal year 2009 surface transportation program funds authorized under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law Number 109-59; that were apportioned to Indiana by the United States Department of Transportation Federal Highway Administration for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009. The term includes any amount appropriated by law for use by the Indiana department of transportation.**

**(B) Eighteen and two tenths percent (18.2%) of the amount of Indiana's apportionment of grants to the states from the state fiscal stabilization fund under Division A, Title XIV of the federal American Recovery and Reinvestment Act of 2009, which under Section 14002(b)(1) of Division A, Title XIV of the federal American Recovery and Reinvestment Act of 2009 may be used for public safety or other governmental services.**

**(C) Two hundred million dollars (\$200,000,000) from Indiana's apportionment of grants to the states under the federal American Recovery and Reinvestment Act of 2009 (other than the amount described in clause (B)) that are eligible to be used for engineering, land acquisition, construction, resurfacing, restoration, or rehabilitation of highway facilities.**

1           **(2) "Designated next generation trust money" refers to two**  
 2           **hundred fifty million dollars (\$250,000,000) from the next**  
 3           **generation trust fund under IC 8-14-15.**

4           **(b) Notwithstanding any other law, the budget agency shall allot**  
 5           **and the auditor of state shall distribute the total of all designated**  
 6           **federal funds and designated next generation trust money to**  
 7           **counties, cities, and towns in Indiana. The total to be distributed**  
 8           **shall be allocated among the counties and suballocated within a**  
 9           **county between the county and the cities and towns in the county**  
 10           **in the same proportion as money in the local road and street**  
 11           **account is allocated and suballocated under section 4(c) of this**  
 12           **chapter. The money shall be distributed as soon as practicable**  
 13           **after the money is received from the federal government.**

14           **(c) A county, city, or town shall separately account for money**  
 15           **distributed under this section. The county, city, or town shall use**  
 16           **the money distributed under this section exclusively for**  
 17           **engineering, land acquisition, construction, resurfacing,**  
 18           **restoration, and rehabilitation of highway facilities. Any part of a**  
 19           **distribution made from designated federal funds may be used only**  
 20           **as permitted by the federal laws and regulations governing the use**  
 21           **of the designated federal funds.**

22           **(d) The total amount specified in this section as designated**  
 23           **federal funds and the total amount specified in this section as**  
 24           **designated next generation trust money is appropriated to the**  
 25           **budget agency for the purposes of this section, beginning July 1,**  
 26           **2008, and ending June 30, 2011. Notwithstanding IC 4-13-2-19, the**  
 27           **money appropriated by this section does not revert to the state**  
 28           **general fund or to another fund at the close of any state fiscal year**  
 29           **but remains available to the budget agency until the purposes for**  
 30           **which it was appropriated are fulfilled.**

31           **(e) Unless otherwise provided by law, the amounts distributed**  
 32           **under this section to a county, city, or town must be expended for**  
 33           **the purposes of this section before July 1, 2011.**

34           **SECTION 20. IC 8-14-15-4, AS ADDED BY P.L.47-2006,**  
 35           **SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**  
 36           **UPON PASSAGE]: Sec. 4. (a) The authority shall establish a next**  
 37           **generation trust fund to hold title to proceeds transferred to the trust**  
 38           **under IC 8-15.5-11 to be used exclusively for the provision of**

highways, roads, and bridges for the benefit of the people of Indiana and the users of those facilities.

(b) **Subject to this chapter**, the trust ~~shall be established as is~~ a charitable trust, separate from the state, but for the benevolent public purpose provided in this section.

(c) The trust consists of the proceeds transferred to the trust under IC 8-15.5-11 and any income that accrues from the investment of these proceeds.

SECTION 21. IC 8-14-15-6, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) **Except as provided in subsection (b)**, a trust established under this chapter must be an irrevocable trust and may not be revoked or terminated by the authority or any other person, nor may it be amended or altered by the authority or any other person. However, the terms of the trust must provide that the trust terminates when no funds remain in the trust.

(b) **Terms of the trust prohibiting any person from diminishing the principal of the trust do not apply if the general assembly enacts a statute appropriating any part of the principal or otherwise authorizing a reduction of the principal.**

SECTION 22. IC 8-14-15-10, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The principal of the trust may ~~not only~~ be diminished during the term of the trust **in accordance with a statute enacted by the general assembly.**

(b) The income that accrues from investment of the trust shall be deposited in the trust.

(c) On March 15, 2011, March 15, 2016, and March 15 every five (5) years thereafter, the treasurer of state shall transfer all interest accruing to the trust to the major moves construction fund.

SECTION 23. IC 8-14-15-12, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) ~~This section applies~~ **Except as provided in subsection (b), the attorney general may petition a court to impose one (1) or more of the remedies described in IC 30-4-5.5-1** if a person does any of the following with respect to a trust created under this chapter:

(1) Commits a breach of the trust.

(2) Violates the mandate of the trust or trust agreement.

(3) Violates a duty imposed by this chapter, the trust agreement, or IC 30-4.

~~(b) The attorney general may petition a court to impose one (1) or more of the remedies described in IC 30-4-5.5-1.~~

**(b) Subsection (a) does not apply to the following:**

**(1) The general assembly.**

**(2) Any action of the trustee necessary to carry out the purposes of a statute enacted by the general assembly, including a statute to appropriate any part of the principal of the trust.**

**(3) Any action of the auditor of state, the budget agency, or any other agency, authority, board, commission, or employee of the state to carry out a statute to appropriate any part of the principal of the trust.**

SECTION 24. IC 8-14-15-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. The general assembly finds the following:**

**(1) That the world, United States, and Indiana economies have drastically changed since the general assembly enacted this chapter in 2006.**

**(2) That investment, employment, and state and local tax revenues have declined significantly and are expected to continue to decline.**

**(3) That improving the Indiana economy is the general assembly's first priority.**

**(4) That the principal of the next generation trust fund is a state resource that must be used to stimulate investment and employment in Indiana.**

**(5) That appropriating any part of the principal of the next generation trust fund is in the public interest.**

**(6) That the economic conditions of 2009 justify the amendments to this chapter to make the principal of the next generation trust fund available to stimulate the Indiana economy in the manner prescribed by the general assembly.**

SECTION 25. IC 8-23-1-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE UPON PASSAGE]: **Sec. 19.5. "Deputy commissioner" refers to the deputy commissioner of the department appointed under IC 8-23-2-2.5.**

SECTION 26. IC 8-23-1-33.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 33.5. "Public transportation agency" has the meaning set forth in IC 8-24-1-11.**

SECTION 27. IC 8-23-2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. (a) The governor may appoint a deputy commissioner for the department to assist the commissioner with the implementation of the public transportation responsibilities of the department.**

**(b) The deputy commissioner:**

- (1) shall be employed solely on the basis of ability, taking into account the individual's qualifications to perform the duties of the individual's position;**
- (2) shall be employed regardless of political affiliation;**
- (3) may not be appointed, promoted, reduced, removed, or in any way favored or discriminated against because of the individual's political affiliation, race, religion, color, sex, national origin, or ancestry;**
- (4) is ineligible to hold, or be a candidate for, elected office (as defined in IC 3-5-2-17) while employed by the department;**
- (5) may not solicit or receive political contributions;**
- (6) may not be required to make contributions for or participate in political activities;**
- (7) serves at the pleasure of the governor; and**
- (8) is entitled to receive compensation set by the budget agency.**

**(c) The deputy commissioner shall do the following:**

- (1) Work with the public transportation agencies to develop a comprehensive long range plan that will meet present and future public transit needs.**
- (2) Work with the public transportation agencies to create a reliable, accessible, and cost effective service through the territory of the public transportation agencies.**
- (3) Develop and maintain effective communications between**

1           **the public transportation agencies and the department.**

2           SECTION 28. IC 8-23-2-5, AS AMENDED BY P.L.35-2005,  
3           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4           UPON PASSAGE]: Sec. 5. (a) The department, through the  
5           commissioner or the commissioner's designee, shall:

6           (1) develop, continuously update, and implement:

7                 (A) long range comprehensive transportation plans;

8                 (B) work programs; and

9                 (C) budgets;

10           to assure the orderly development and maintenance of an efficient  
11           statewide system of transportation;

12           (2) implement the policies, plans, and work programs adopted by  
13           the department;

14           (3) organize by creating, merging, or abolishing divisions;

15           (4) evaluate and utilize whenever possible improved  
16           transportation facility maintenance and construction techniques;

17           (5) carry out public transportation responsibilities, including:

18                 (A) developing and recommending public transportation  
19                 policies, plans, and work programs;

20                 (B) providing technical assistance and guidance in the area of  
21                 public transportation to **public transportation agencies and**  
22                 **other** political subdivisions; ~~with public transportation~~  
23                 ~~responsibilities;~~

24                 (C) developing work programs for the utilization of federal  
25                 mass transportation funds **and other federal funds available**  
26                 **for public transportation purposes;**

27                 (D) furnishing data from surveys, plans, specifications, and  
28                 estimates required to qualify a state agency, **public**  
29                 **transportation agency**, or political subdivision for federal  
30                 mass transportation funds **or other federal funds available**  
31                 **for public transportation purposes;**

32                 (E) conducting or participating in any public hearings to  
33                 qualify urbanized areas, **public transportation agencies, and**  
34                 **political subdivisions** for an allocation of federal mass  
35                 transportation funding **or other federal funds available for**  
36                 **public transportation purposes;**

37                 (F) serving, upon designation of the governor, as the state  
38                 agency to receive and disburse any state or federal mass

- 1 transportation funds that are not directly allocated to an  
 2 urbanized area, **a public transportation agency, or a**  
 3 **political subdivision;**
- 4 (G) entering into agreements with **public transportation**  
 5 **agencies, political subdivisions,** other states, regional  
 6 agencies created in other states, and municipalities in other  
 7 states for the purpose of improving public transportation  
 8 service to the citizens; and
- 9 (H) developing and including in its own proposed  
 10 transportation plan a specialized transportation services plan  
 11 for the elderly and persons with disabilities;
- 12 (6) provide technical assistance to units of local government with  
 13 road and street responsibilities;
- 14 (7) develop, undertake, and administer the program of research  
 15 and extension required under IC 8-17-7;
- 16 (8) allow public testimony in accordance with section 17 of this  
 17 chapter whenever the department holds a public hearing (as  
 18 defined in section 17 of this chapter); and
- 19 (9) adopt rules under IC 4-22-2 to reasonably and cost effectively  
 20 manage the right-of-way of the state highway system by  
 21 establishing a formal procedure for highway improvement  
 22 projects that involve the relocation of utility facilities by  
 23 providing for an exchange of information among the department,  
 24 utilities, and the department's highway construction contractors.
- 25 (b) Rules adopted under subsection (a)(9) shall not unreasonably  
 26 affect the cost, or impair the safety or reliability, of a utility service.
- 27 (c) A civil action may be prosecuted by or against the department,  
 28 a department highway construction contractor or a utility to recover  
 29 costs and expenses directly resulting from willful violation of the rules.  
 30 Nothing in this section or in subsection (a)(9) shall be construed as  
 31 granting authority to the department to adopt rules establishing fines,  
 32 assessments or other penalties for or against utilities or the  
 33 department's highway construction contractors.
- 34 SECTION 29. IC 8-23-8-10 IS ADDED TO THE INDIANA CODE  
 35 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
 36 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 10. (a) As used in this**  
 37 **section, "designated highway" refers to the highway designated as**  
 38 **a limited access facility under subsection (b).**

(b) The department shall designate and do all acts necessary to establish the part of State Road 331 in St. Joseph County from the U.S. Highway 20 bypass to State Road 23 as a limited access facility. The designated highway shall be in operation as a limited access facility beginning not later than January 1, 2009.

(c) Neither the department nor any political subdivision may authorize any additional curb cuts or intersections after January 1, 2009, on the designated highway. The department shall limit intersections on the designated highway to the following locations:

- (1) U.S. Highway 20 bypass.
- (2) Dragoon Trail.
- (3) Twelfth Street (also known as Harrison Road).
- (4) Indiana 933 (also known as Lincoln Way).
- (5) Jefferson Boulevard.
- (6) McKinley Highway.
- (7) Day Road.
- (8) Cleveland Road.
- (9) State Road 23."

Page 3, between lines 19 and 20, begin a new paragraph and insert:  
 "SECTION 31. IC 8-23-20-25, AS AMENDED BY P.L.66-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 25. (a) The department shall institute a permit system to regulate the erection and maintenance of outdoor advertising signs along:

- (1) the interstate and primary system, as defined in 23 U.S.C. 131(t) on June 1, 1991; and
- (2) any other highways where control of outdoor advertising signs is required under 23 U.S.C. 131.

(b) Except as provided in subsections (c) and (g) and section 25.5(c) of this chapter, a sign may not be erected, operated, used, or maintained in areas described in subsection (a) unless the owner of the sign has obtained a permit under this section.

(c) A permit is not required to erect, operate, use, or maintain the following signs:

- (1) Directional or official signs and notices.
- (2) Signs advertising the sale or lease of the property on which the sign is located.
- (3) Signs that primarily indicate ~~(A)~~ the name of the business,

1 activity, or profession conducted, ~~(B)~~ the types of goods produced  
 2 or sold, or ~~(C)~~ the services rendered on:

3 (A) the property on which the sign is located; or

4 (B) **commonly owned nonadjacent property located within**  
 5 **five (5) miles of the sign, if the property on which the sign**  
 6 **is located is used in conjunction with, in furtherance of, or**  
 7 **in support of the commonly owned nonadjacent property.**

8 (d) Signs in existence on July 1, 1993, and subject to this section:

9 (1) must comply with the registration system described in  
 10 subsection (h); and

11 (2) are subject to the permit requirement after the department has  
 12 made the determination described in subsection (g).

13 (e) The department shall adopt rules under IC 4-22-2 to carry out  
 14 this section. Rules adopted under this section may be no broader than  
 15 necessary to implement 23 U.S.C. 131 and 23 CFR 750.

16 (f) In addition to the requirements of subsection (e), rules adopted  
 17 under this section must provide the following:

18 (1) A list of all roadways subject to the permit requirement.

19 (2) A procedure to appeal adverse determinations of the  
 20 department under IC 4-21.5, including provisions for judicial  
 21 review under IC 4-21.5.

22 (3) A one-time fee of one hundred dollars (\$100) per structure  
 23 must accompany the permit application. A permit fee may not be  
 24 charged to a sign that is subject to and complies with the  
 25 registration system described in subsection (h).

26 (4) That a permit may not be issued for a sign erected in an  
 27 adjacent area after January 1, 1968, unless:

28 (A) the sign is erected in an area described in section 5 of this  
 29 chapter; or

30 (B) the permit is a conditional permit issued under subdivision  
 31 (6).

32 (5) That a permit may not be issued for a sign erected after June  
 33 30, 1976, outside of urban areas, beyond six hundred sixty (660)  
 34 feet of the right-of-way, visible from the traveled way, and erected  
 35 with the purpose of a message being read from the traveled way,  
 36 unless:

37 (A) the sign is erected in an area described in section 5 of this  
 38 chapter; or

- 1 (B) the permit is a conditional permit issued under subdivision
- 2 (6).
- 3 (6) For the issuance of a conditional permit for a nonconforming
- 4 sign that has not been acquired under section 10 of this chapter.
- 5 A conditional permit issued under this subdivision may be
- 6 revoked if the department subsequently acquires the sign.
- 7 (7) That the department is granted the right to enter the real
- 8 property on which a sign for which a permit under this section has
- 9 been applied for or issued to perform reasonable examinations
- 10 and surveys necessary to administer the permit system.
- 11 (8) The department may revoke any permit when it is found that
- 12 the permittee has provided false or misleading information and
- 13 that such a finding may be cause to subsequently refuse to issue
- 14 a permit.
- 15 (9) Any other provisions necessary to:
- 16 (A) administer this section; or
- 17 (B) avoid sanctions under 23 U.S.C. 131.
- 18 (g) A sign that is subject to and complies with the registration
- 19 system described in subsection (h) may not be declared unlawful until
- 20 the later of the following:
- 21 (1) The department has made a determination of permit eligibility
- 22 under this section.
- 23 (2) December 31, 1993.
- 24 (h) A separate application for registration must be submitted to the
- 25 department for each structure defined in subsection (d) and must:
- 26 (1) be on a form furnished by the department;
- 27 (2) signed by the applicant or an individual authorized in writing
- 28 to sign for the applicant;
- 29 (3) provide information concerning the size, shape, and nature of
- 30 the advertising sign, display, or device;
- 31 (4) provide the sign's actual location with sufficient accuracy to
- 32 enable the department to locate the sign; and
- 33 (5) include a one-time registration fee of twenty-five dollars
- 34 (\$25).
- 35 (i) A sign that is not registered before January 1, 1994, is a public
- 36 nuisance subject to section 26 of this chapter.
- 37 (j) Each registrant shall fasten to each advertising sign or device a
- 38 label or marker provided by the department that must be plainly visible

1 from the traveled way."

2 Page 3, line 29, after "Production" insert **"or Livestock Feed"**.

3 Page 3, line 33, delete "." and insert **"or as feed for livestock."**.

4 Page 3, line 34, delete "refer" and insert **"refers"**.

5 Page 3, delete lines 37 through 40, begin a new paragraph and  
6 insert:

7 **"Sec. 3. As used in this chapter, "vegetation" refers to grasses**  
8 **or other plants that:**

9 **(1) are suitable for processing into fuels or other energy**  
10 **products; or**

11 **(2) may be used to feed livestock."**

12 Page 3, line 41, after "Sec. 4." insert **"(a)"**.

13 Page 4, line 3, delete "." and insert **"or for use as feed for**  
14 **livestock."**

15 Page 4, between lines 3 and 4, begin a new paragraph and insert:

16 **"(b) Before entering into a lease under this chapter, the**  
17 **department shall consult with the invasive species council**  
18 **established by IC 15-16-10-3 in order to obtain recommendations**  
19 **from the council concerning the appropriateness of the vegetation**  
20 **proposed to be planted under the terms of the lease."**

21 Page 4, line 11, delete "." and insert **"or as feed for livestock."**

22 Page 4, after line 27, begin a new paragraph and insert:

23 **"SECTION 34. IC 8-24 IS ADDED TO THE INDIANA CODE AS**  
24 **A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON**  
25 **PASSAGE]:**

26 **ARTICLE 24. REGIONAL TRANSPORTATION DISTRICTS**

27 **Chapter 1. Purpose; Definitions**

28 **Sec. 1. The purpose of this article is to provide a flexible means**  
29 **of planning, designing, acquiring, constructing, enlarging,**  
30 **improving, renovating, maintaining, equipping, financing,**  
31 **operating, and supporting public transportation systems that can**  
32 **be adapted to the unique circumstances existing in different parts**  
33 **of Indiana.**

34 **Sec. 2. The definitions in this chapter apply throughout this**  
35 **article.**

36 **Sec. 3. "Allocation area" means the part of an area to which an**  
37 **allocation provision of a declaratory resolution adopted under**  
38 **IC 8-24-14-1 refers for purposes of distribution and allocation of**

1       **property taxes.**

2       **Sec. 4. "Base assessed value" means the sum of:**

3               **(1) the net assessed value of all the property as finally**  
 4               **determined for the assessment date immediately preceding the**  
 5               **effective date of the allocation provision of the declaratory**  
 6               **resolution; plus**

7               **(2) to the extent that it is not included in subdivision (1), the**  
 8               **net assessed value of property that is assessed as residential**  
 9               **property under the rules of the department of local**  
 10              **government finance, as finally determined for any assessment**  
 11              **date after the effective date of the allocation provision;**  
 12       **as adjusted by the department of local government finance under**  
 13       **IC 8-24-14-5.**

14       **Sec. 5. "Board" refers to a regional transportation board**  
 15       **established under IC 8-24-4 for a district.**

16       **Sec. 6. "Bonds" means, except as otherwise provided, bonds,**  
 17       **notes, or other evidences of indebtedness issued by a district.**

18       **Sec. 7. "District" refers to a regional transportation district**  
 19       **established under IC 8-24-2.**

20       **Sec. 8. "Executive director" refers to the executive director of**  
 21       **the district.**

22       **Sec. 9. "Project" refers to an action taken to:**

- 23               **(1) plan;**
- 24               **(2) design;**
- 25               **(3) acquire;**
- 26               **(4) construct;**
- 27               **(5) enlarge;**
- 28               **(6) improve;**
- 29               **(7) renovate;**
- 30               **(8) maintain;**
- 31               **(9) equip; or**
- 32               **(10) operate;**

33       **a public transportation system.**

34       **Sec. 10. "Property taxes" refers to taxes imposed under IC 6-1.1**  
 35       **on:**

- 36               **(1) real property; and**
- 37               **(2) depreciable personal property that has a useful life in**  
 38               **excess of eight (8) years, if the board adopts a resolution**



under IC 8-24-14-1 to include within the term property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years.

The board may, by resolution, determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of "property taxes". However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property. The term does not include property taxes imposed for a fire protection district established under IC 36-8-11 or taxes imposed on the depreciable personal property of a street rail car company, a sleeping car company, or another rail car company that is subject to IC 6-1.1-8.

Sec. 11. "Public transportation agency" means a county, city, or town, or any other entity that operates or otherwise carries out a project for a public transportation system in Indiana. The term includes the following:

- (1) A commuter transportation district established under IC 8-5-15.
- (2) An automated transit district established under IC 8-9.5-7.
- (3) Another district.
- (4) The northwest Indiana regional development authority established under IC 36-7.5.
- (5) A regional development authority established under IC 36-7.6.
- (6) A regional transportation authority established under IC 36-9-3-2.
- (7) A regional bus authority under IC 36-9-3-2(c).
- (8) A public transportation corporation established under IC 36-9-4.

Sec. 12. "Public transportation system" means any common carrier of passengers for hire.

## **Chapter 2. Establishment**

Sec. 1. The fiscal body of a county may, by resolution, establish a regional transportation district. Two (2) or more counties may jointly establish a district by adopting identical resolutions. A district may be expanded to include one (1) or more additional counties if resolutions approving the expansion are adopted by the

1       fiscal bodies of:

2               (1) each of the counties to be added to the district; and

3               (2) a majority of the counties in the district.

4       Sec. 2. (a) A county that participates in a district must be a  
5 member of the district for at least ten (10) years after the date the  
6 county becomes a member.

7               (b) At least twelve (12) months and not more than eighteen (18)  
8 months before the end of a ten (10) year period, the fiscal body of  
9 a county participating in the district must adopt a resolution that:

10              (1) commits the county to an additional ten (10) years as a  
11 member of the district, beginning at the end of the current ten  
12 (10) year period; or

13              (2) withdraws the county from membership in the district not  
14 earlier than the end of the current ten (10) year period.

15              (c) The fiscal body of a county that participates in the district  
16 must adopt a resolution under subsection (b) during each ten (10)  
17 year period in which the county is a member of the board.

18              (d) A county may withdraw from a district as provided in this  
19 section only with the approval of the board.

20              (e) If at the end of a ten (10) year period a county withdraws  
21 from the district under this section:

22              (1) the terms of members of the board from that county and  
23 any city in that county are terminated upon the effective date  
24 of the withdrawal of the county; and

25              (2) the county and each city in the county continue to be liable  
26 to the district for the amounts that would have otherwise been  
27 due from the county and each city in the county for any:

28              (A) unpaid transfers to the district that became due before  
29 the withdrawal of the county or city from the district is  
30 effective; and

31              (B) amounts due under any bonds issued or lease rental  
32 agreements entered into before the withdrawal of the  
33 county from the district is effective.

34       Sec. 3. If an existing public transportation agency operates  
35 within the boundaries of a district, the legislative body that  
36 established the public transportation agency may adopt a  
37 resolution to shift any of the public transportation powers of the  
38 public transportation agency to the district.

1       **Sec. 4. A public transportation agency may merge with a district**  
 2       **on the terms jointly agreed to by the governing body of the district**  
 3       **and the public transportation agency. However, the merger of two**  
 4       **(2) or more districts must comply with section 1 of this chapter. A**  
 5       **merger under this section does not transfer to the district any**  
 6       **powers that are not public transportation powers.**

7       **Chapter 3. Status**

8       **Sec. 1. A district is a body corporate and politic. A district is**  
 9       **separate from the state and any other political subdivision, but the**  
 10       **exercise by the district of its powers is an essential governmental**  
 11       **function.**

12       **Sec. 2. All the incorporated and unincorporated area in a county**  
 13       **that becomes a member of a district is included in the district.**

14       **Sec. 3. A pledge or mortgage of a district does not create an**  
 15       **obligation of the state or a political subdivision within the meaning**  
 16       **of the Constitution of the State of Indiana or any statute.**

17       **Sec. 4. All:**

18           **(1) property owned by a district;**

19           **(2) revenue of a district; and**

20           **(3) bonds issued by a district, the interest on the bonds, the**  
 21           **proceeds received by a holder from the sale of bonds to the**  
 22           **extent of the holder's cost of acquisition, proceeds received**  
 23           **upon redemption before maturity, proceeds received at**  
 24           **maturity, and the receipt of interest in proceeds;**

25       **are exempt from taxation in Indiana for all purposes except the**  
 26       **financial institutions tax imposed under IC 6-5.5 or a state**  
 27       **inheritance tax imposed under IC 6-4.1.**

28       **Sec. 5. All securities issued under this article are exempt from**  
 29       **the registration requirements of IC 23-19 and other securities**  
 30       **registration statutes.**

31       **Sec. 6. (a) This section does not apply to interurban or interstate**  
 32       **public transportation service.**

33           **(b) Service provided by the district within the territory of the**  
 34           **district is exempt from regulation by the department of state**  
 35           **revenue under IC 8-2.1. This exemption applies to transportation**  
 36           **services provided by the district directly or by grants or purchase**  
 37           **of service agreements.**

38           **(c) Service provided by the district by contract or service**

1 agreements outside the territory of the district is subject to  
2 regulation by the department of state revenue under IC 8-2.1.

3 (d) The department of state revenue shall hear appeals  
4 concerning any regulatory action of the district concerning service  
5 and rates and, after making a finding based on the requirements of  
6 IC 8-2.1, issue an appropriate order. Judicial review of the  
7 commission decision may be obtained in the manner prescribed by  
8 IC 4-21.5-5.

#### 9 Chapter 4. Board

10 Sec. 1. The power to govern the district is vested in a regional  
11 transportation board.

12 Sec. 2. The board is composed of the following members:

13 (1) One (1) member from the fiscal body for each  
14 participating county, appointed by the president of the county  
15 fiscal body.

16 (2) One (1) member from the county executive for each  
17 participating county, appointed by the president of the county  
18 executive board.

19 (3) One (1) member from the fiscal body for each city in a  
20 participating county (other than a city in a county with a  
21 consolidated city), appointed by the president of the fiscal  
22 body of the city.

23 (4) One (1) member of a labor organization representing  
24 employees of the district who provide public transportation  
25 services within the geographic jurisdiction of the district. The  
26 labor organization shall appoint the member. If more than  
27 one (1) labor organization represents the employees of the  
28 district, each organization shall submit one (1) name to the  
29 governor, and the governor shall appoint the member from  
30 the list of names submitted by the organizations.

31 Sec. 3. A member of a board must be a resident of the unit that  
32 appointed the member.

33 Sec. 4. A member of a board serves at the pleasure of the  
34 appointing authority.

35 Sec. 5. If a participating unit fails to make an appointment to the  
36 board within sixty (60) days after the participating unit becomes a  
37 member of the district or within sixty (60) days after the position  
38 becomes vacant, the appointment shall be made by the governor.

1       **Sec. 6. A member of a board is not entitled to receive**  
 2       **compensation for performance of the member's duties. However,**  
 3       **a member of the board is entitled to a per diem from the district**  
 4       **for the member's participation in board meetings. The amount of**  
 5       **the per diem is equal to the amount of the per diem provided under**  
 6       **IC 4-10-11-2.1(b).**

7       **Sec. 7. A majority of the members appointed to a board**  
 8       **constitutes a quorum for a meeting.**

9       **Sec. 8. The affirmative votes of at least a majority of the**  
 10       **appointed members of a board are necessary to authorize any**  
 11       **action of the district.**

12       **Sec. 9. A board shall elect a chair of the board and any other**  
 13       **officers that the board determines appropriate.**

14       **Sec. 10. A board shall meet at least quarterly.**

15       **Sec. 11. The chair of a board or any two (2) members of the**  
 16       **board may call a meeting of the board. The mayor of the city with**  
 17       **the largest population in the district shall call the initial meeting of**  
 18       **the board for a date that is not more than sixty (60) days after the**  
 19       **board is initially established.**

20       **Sec. 12. The board may adopt the bylaws and rules that the**  
 21       **board considers necessary for the proper conduct of the board's**  
 22       **duties and the safeguarding of the district's funds and property.**

#### 23       **Chapter 5. General Powers**

24       **Sec. 1. The district shall exercise the powers granted to the**  
 25       **district by this article to carry out the purposes of the district.**

26       **Sec. 2. The district may sue and be sued in the name of the**  
 27       **district.**

28       **Sec. 3. The district may determine matters of policy regarding**  
 29       **internal organization and operating procedures not specifically**  
 30       **provided for by law.**

31       **Sec. 4. The district may employ the personnel necessary to carry**  
 32       **out the duties, functions, and powers of the district.**

33       **Sec. 5. The district may fix the compensation of the various**  
 34       **officers and employees of the district, within the limitations of the**  
 35       **total personal services budget.**

36       **Sec. 6. The district may adopt rules governing the duties of its**  
 37       **officers, employees, and personnel, and the internal management**  
 38       **of the affairs of the district.**

1       **Sec. 7. The district may protect all property owned or managed**  
2       **by the district and procure insurance against any losses in**  
3       **connection with its property, operations, or assets in amounts and**  
4       **from insurers as it considers desirable.**

5       **Sec. 8. Subject to this article, the district may borrow money,**  
6       **make guaranties, issue bonds, and otherwise incur indebtedness for**  
7       **any of the district's purposes, and issue debentures, notes, or other**  
8       **evidences of indebtedness, whether secured or unsecured, to any**  
9       **person, as provided by the affected statutes.**

10       **Sec. 9. The district may acquire real, personal, or mixed**  
11       **property by deed, purchase, or lease and dispose of it for use in**  
12       **connection with or for the purposes of the district, including**  
13       **supplies, materials, and equipment to carry out the duties and**  
14       **functions of the district.**

15       **Sec. 10. The district may receive gifts, donations, bequests, and**  
16       **public trusts, agree to conditions and terms accompanying them,**  
17       **and bind the district to carry them out.**

18       **Sec. 11. (a) The district may receive federal or state aid and**  
19       **administer that aid.**

20       **(b) The district may comply with federal statutes and rules**  
21       **concerning the expenditure of federal money for public**  
22       **transportation systems. The board may apply to state and federal**  
23       **agencies for grants for public transportation development, make**  
24       **or execute representations, assurances, and contracts, enter into**  
25       **covenants and agreements with any state or federal agency relative**  
26       **to public transportation systems, and comply with federal and state**  
27       **statutes and rules concerning the acquisition, development,**  
28       **operation, and administration of public transportation systems.**

29       **(c) The district may use money received by the district that is**  
30       **not pledged or restricted for another purpose to provide a local**  
31       **match required for the receipt of any federal funds.**

32       **Sec. 12. The district may adopt a schedule of reasonable charges**  
33       **and rents and collect them from all users of facilities and services**  
34       **within the jurisdiction of the district.**

35       **Sec. 13. The district may purchase public transportation**  
36       **services from public or private transportation agencies upon the**  
37       **terms and conditions set forth in purchase of service agreements**  
38       **between the district and the transportation agencies.**

1       **Sec. 14. The district may acquire, establish, construct, renovate,**  
 2       **improve, equip, operate, maintain, finance, subsidize, lease, and**  
 3       **regulate public transportation systems serving the district.**

4       **Sec. 15. The district may make, execute, and enforce contracts**  
 5       **and all other instruments necessary, convenient, or desirable for**  
 6       **the purposes of the district or pertaining to:**

7           **(1) a purchase, acquisition, or sale of securities or other**  
 8           **investments related to a project; or**

9           **(2) the performance of the district's duties and execution of**  
 10          **any of the districts's powers;**

11       **including public-private agreements (as defined in IC 5-23-2-13).**

12       **Sec. 16. The district may enter into agreements with**  
 13       **government agencies, political subdivisions, private transportation**  
 14       **companies, railroads, and other persons providing for:**

15           **(1) construction, improvement, renovation, operation,**  
 16           **maintenance, and use by the other party of any public**  
 17           **transportation system and equipment held or later acquired**  
 18           **by the district; and**

19           **(2) acquisition of any public transportation system and**  
 20           **equipment of another party if all or part of the operations of**  
 21           **that party take place within the jurisdiction of the district.**

22       **Sec. 17. The district may lease to others for development or**  
 23       **operation all or any part of the property of the district on the**  
 24       **terms and conditions as the board considers advisable.**

25       **Sec. 18. The district may invest money not immediately needed**  
 26       **for a project as provided in a resolution, agreement, or trust**  
 27       **agreement of the board.**

28       **Sec. 19. A district may enter into an agreement with another**  
 29       **district or any other entity to:**

30           **(1) jointly equip, own, lease, and finance projects and**  
 31           **facilities; or**

32           **(2) otherwise carry out the purposes of the district;**

33       **in any location.**

34       **Sec. 20. The district may rent or lease any real property,**  
 35       **including air rights above real property owned or leased by a**  
 36       **transportation system, for transportation or other purposes, with**  
 37       **the revenues from those rentals to accrue to the district and to be**  
 38       **used exclusively for the purposes of this article.**

1       **Sec. 21. The district may sell, lease, or otherwise contract for**  
 2       **advertising in or on the facilities of the district.**

3       **Sec. 22. The district may administer any rail services or other**  
 4       **use of rail rights-of-way that may be the responsibility of state or**  
 5       **local government under the Federal Regional Rail Reorganization**  
 6       **Act of 1973, as amended (45 U.S.C. Sections 701 through 794).**

7       **Sec. 23. The district may determine the level and kind of public**  
 8       **transportation services to be provided by the district.**

9       **Sec. 24. The district may make grants and loans to and purchase**  
 10       **securities of any public transportation agency to carry out the**  
 11       **public transportation purposes of the district.**

12       **Sec. 25. The district may do all other acts necessary or**  
 13       **reasonably incident to carrying out the purposes of this article.**

14       **Chapter 6. Administration**

15       **Sec. 1. The board shall adopt an annual budget for the district.**

16       **Sec. 2. The district may establish the funds and accounts that**  
 17       **the district determines necessary. The district shall account for**  
 18       **revenues as required to comply with the requirements specified in**  
 19       **any agreement with a bondholder or other agreement.**

20       **Sec. 3. The district is subject to audit under IC 5-11-1.**

21       **Sec. 4. A district shall before April 1 of each year issue a report**  
 22       **to the legislative council, the budget committee, and the governor**  
 23       **concerning the operations and activities of the district during the**  
 24       **preceding calendar year. The report to the legislative council must**  
 25       **be in an electronic format under IC 5-14-6.**

26       **Sec. 5. The board shall appoint an executive director to manage**  
 27       **the district.**

28       **Sec. 6. The board may establish the advisory committees that**  
 29       **the board determines to be advisable.**

30       **Sec. 7. All employees of the district:**

31       **(1) shall be employed solely on the basis of ability, taking into**  
 32       **account their qualifications to perform the duties of their**  
 33       **positions;**

34       **(2) shall be employed regardless of political affiliation;**

35       **(3) may not be appointed, promoted, reduced, removed, or in**  
 36       **any way favored or discriminated against because of their**  
 37       **political affiliation, race, religion, color, sex, national origin,**  
 38       **or ancestry;**



(4) are ineligible to hold, or be a candidate for, elected office  
 (as defined in IC 3-5-2-17) while employed by the district;  
 (5) may not solicit or receive political contributions;  
 (6) may not be required to make contributions for or  
 participate in political activities;  
 (7) shall be employed on a six (6) month probationary period,  
 with a written evaluation prepared after five (5) months of  
 service by their immediate supervisor for the executive  
 director to determine if employment should continue beyond  
 the probationary period; and  
 (8) shall be evaluated annually in writing by their immediate  
 supervisor to advise the executive director as to whether the  
 employees should remain in their positions.

#### **Chapter 7. Procurement**

**Sec. 1.** A district shall comply with IC 5-16-7 (common construction wage), IC 5-22 (public purchasing), IC 36-1-12 (public work projects), and any applicable federal bidding statutes and regulations.

**Sec. 2.** An entity that receives a loan, a grant, or other financial assistance from a district or enters into a lease with a district must comply with applicable federal, state, and local public purchasing and bidding laws and regulations. However, a purchasing agency (as defined in IC 5-22-2-25) of a political subdivision may:

- (1) assign or sell a lease for property to a district; or
- (2) enter into a lease for property with a district;

at any price and under any other terms and conditions as may be determined by the entity and the district. However, before making an assignment or a sale of a lease or entering into a lease under this section that would otherwise be subject to IC 5-22, the political subdivision or its purchasing agent must obtain or cause to be obtained a purchase price for the property to be subject to the lease from the lowest responsible and responsive bidder in accordance with the requirements for the purchase of supplies under IC 5-22.

**Sec. 3.** With respect to projects undertaken by a district, the district shall set a goal for participation by minority business enterprises and women's business enterprises. The goals must be consistent with:

(1) the participation goals established by the counties and municipalities that are members of the district; and

(2) the goals of delivering the project on time and within the budgeted amount and, insofar as possible, using Indiana businesses for employees, goods, and services.

**Sec. 4.** If a district is unable to agree with the owners, lessees, or occupants of any real property selected for the purposes of this article, the district may proceed under IC 32-24-1 to procure the condemnation of the property. The district may not institute a proceeding until it has adopted a resolution that:

(1) describes the real property sought to be acquired and the public purposes for which the real property is to be used;

(2) declares that the public interest and necessity require the acquisition by the district of the property involved; and

(3) sets out any other facts that the district considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition.

#### **Chapter 8. Planning**

**Sec. 1.** After reviewing the transportation plans of the Indiana department of transportation and regional and other planning agencies, a district shall develop, continuously update, and implement long range comprehensive transportation plans to ensure the orderly development and maintenance of an efficient system of public transportation in the district.

**Sec. 2.** A district shall prepare a comprehensive strategic development plan that will meet present and future public transit needs and that includes detailed information concerning the following:

(1) The proposed projects to be undertaken or financed by the district.

(2) The following information for each project included under subdivision (1):

(A) Time line and budget.

(B) The return on investment.

(C) The projected or expected need for an ongoing subsidy.

(D) Any projected or expected federal matching funds.

**Sec. 3.** The district shall, not later than January 1 of the second

1 year following the year in which the district is established, submit  
 2 the comprehensive strategic development plan for review by the  
 3 budget committee.

4 Sec. 4. The district may enter into agreements with other  
 5 persons to participate in transportation planning activities.

6 Chapter 9. Acquisition and Construction of Public  
 7 Transportation Facilities

8 Sec. 1. The district may:

9 (1) construct or acquire any public transportation facility for  
 10 use by the district or any transportation agency; and

11 (2) acquire transportation facilities from any transportation  
 12 agency, including:

13 (A) reserve funds;

14 (B) employees' pension or retirement funds;

15 (C) special funds;

16 (D) franchises;

17 (E) licenses;

18 (F) patents;

19 (G) permits; and

20 (H) papers and records of the agency.

21 In making acquisitions from a transportation agency, the district  
 22 may assume the obligations of the agency regarding its property or  
 23 public transportation operations.

24 Sec. 2. The district may acquire, improve, maintain, lease, and  
 25 rent facilities, including air rights, that are within one hundred  
 26 (100) yards of a terminal, station, or other facility of the district. If  
 27 these facilities generate revenues that exceed their cost to the  
 28 district, the district must use the excess revenues to improve  
 29 transportation services or reduce fares for the public.

30 Chapter 10. Operation of Public Transportation Facilities

31 Sec. 1. The district may provide public transportation service by  
 32 operating public transportation facilities only if the board finds  
 33 that no public or private transportation agency or corporation is  
 34 willing or able to provide public transportation service.

35 Sec. 2. The district may enter into operating agreements with  
 36 any private or public person to operate transportation facilities on  
 37 behalf of the district only after the board has made an affirmative  
 38 effort to seek out and encourage private owners and operators to

1 provide the needed public transportation service.

2       **Sec. 3.** Whenever the district provides any public transportation  
3 service by operating public transportation facilities, it shall  
4 establish the level and nature of fares or charges to be made for  
5 public transportation services and the nature and standards of  
6 public transportation service to be provided within the jurisdiction  
7 of the district.

8       **Sec. 4.** The board shall, to the extent it considers feasible, adopt  
9 uniform standards for the making of grants and purchase of  
10 service agreements. These grant contracts or purchase of service  
11 agreements may be for the number of years or duration agreed to  
12 by the district and the transportation agency.

13       **Sec. 5.** If the district provides grants for operating expenses or  
14 participates in any purchase of service agreement, the purchase of  
15 service agreement or grant contract must state the level and nature  
16 of fares or charges to be made for public transportation services  
17 and the nature and standards of public transportation to be so  
18 provided. In addition, any purchase of service agreements or grant  
19 contracts must provide, among other matters, for:

- 20           (1) the terms or cost of transfers or interconnections between
- 21           different public transportation agencies;
- 22           (2) schedules or routes of transportation service;
- 23           (3) changes that may be made in transportation service;
- 24           (4) the nature and condition of the facilities used in providing
- 25           service;
- 26           (5) the manner of collection and disposition of fares or
- 27           charges;
- 28           (6) the records and reports to be kept and made concerning
- 29           transportation service; and
- 30           (7) interchangeable tickets or other coordinated or uniform
- 31           methods of collection of charges.

32       The district shall also undertake programs to promote use of public  
33 transportation and to provide ticket sales and passenger  
34 information.

#### 35       **Chapter 11. Bonds**

36       **Sec. 1. (a)** A district may issue bonds to obtain money to pay the  
37 cost of:

- 38           (1) acquiring real or personal property, including existing

1           **capital improvements;**

2           **(2) acquiring, constructing, improving, reconstructing, or**  
 3           **renovating one (1) or more projects; or**

4           **(3) funding or refunding bonds or other evidences of**  
 5           **indebtedness issued under this article, IC 8-5-15, IC 8-9.5-7,**  
 6           **IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior**  
 7           **law.**

8           **(b) The bonds are payable solely from:**

9           **(1) the lease rentals from the lease of the projects for which**  
 10           **the bonds were issued, insurance proceeds, and any other**  
 11           **funds pledged or available; and**

12           **(2) to the extent designated in the agreements for the bonds,**  
 13           **revenue received by the district and amounts deposited in a**  
 14           **district fund.**

15           **(c) The bonds must be authorized by a resolution of the board**  
 16           **of the district that issues the bonds.**

17           **(d) The terms and form of the bonds must either be set out in**  
 18           **the resolution or in a form of trust indenture approved by the**  
 19           **resolution.**

20           **(e) The bonds must mature within forty (40) years.**

21           **(f) A board may sell the bonds only:**

22           **(1) to the Indiana bond bank established by IC 5-1.5-2-1 upon**  
 23           **the terms determined by the board and the Indiana bond**  
 24           **bank;**

25           **(2) to the Indiana finance authority created by IC 4-4-11-4**  
 26           **upon the terms determined by the development board and the**  
 27           **Indiana finance authority; or**

28           **(3) in the manner and for the price as the board may**  
 29           **determine to be in the best interest of the district, either at**  
 30           **public sale under IC 5-1-11 or at private sale.**

31           **(g) All money received from any bonds issued under this article**  
 32           **shall be applied solely to the payment of the cost of acquiring,**  
 33           **constructing, improving, reconstructing, or renovating one (1) or**  
 34           **more projects, or the cost of refunding or refinancing outstanding**  
 35           **bonds, for which the bonds are issued. The cost may include:**

36           **(1) planning and development of equipment or a facility and**  
 37           **all buildings, facilities, structures, equipment, and**  
 38           **improvements related to the facility;**

1           **(2) acquisition of a site and clearing and preparing the site for**  
 2           **construction;**

3           **(3) equipment, facilities, structures, and improvements that**  
 4           **are necessary or desirable to make the project suitable for use**  
 5           **and operations;**

6           **(4) architectural, engineering, consultant, and attorney's fees;**

7           **(5) incidental expenses in connection with the issuance and**  
 8           **sale of bonds;**

9           **(6) reserves for principal and interest;**

10          **(7) interest during construction;**

11          **(8) financial advisory fees;**

12          **(9) insurance during construction;**

13          **(10) municipal bond insurance, debt service reserve**  
 14          **insurance, letters of credit, or other credit enhancement; and**

15          **(11) in the case of refunding or refinancing, payment of the**  
 16          **principal of, redemption premiums (if any) for, and interest**  
 17          **on the bonds being refunded or refinanced.**

18          **Sec. 2. This article contains full and complete authority for the**  
 19          **issuance of bonds. No law, procedure, proceedings, publications,**  
 20          **notices, consents, approvals, orders, or acts by a development**  
 21          **board or any other officer, department, agency, or instrumentality**  
 22          **of the state or of any political subdivision is required to issue any**  
 23          **bonds, except as prescribed in this article.**

24          **Sec. 3. (a) A district may secure bonds issued under this article**  
 25          **by a trust indenture between the district and a corporate trustee,**  
 26          **which may be any trust company or national or state bank in**  
 27          **Indiana that has trust powers.**

28          **(b) The trust indenture may:**

29               **(1) pledge or assign revenue received by the district, amounts**  
 30               **deposited in a district fund, and lease rentals, receipts, and**  
 31               **income from leased projects, but may not mortgage land or**  
 32               **projects;**

33               **(2) contain reasonable and proper provisions for protecting**  
 34               **and enforcing the rights and remedies of the bondholders,**  
 35               **including covenants setting forth the duties of the district and**  
 36               **board;**

37               **(3) set forth the rights and remedies of bondholders and**  
 38               **trustees; and**

1           (4) restrict the individual right of action of bondholders.

2           (c) Any pledge or assignment made by the district under this  
3 section is valid and binding in accordance with IC 5-1-14-4 from  
4 the time that the pledge or assignment is made, against all persons  
5 whether they have notice of the lien. Any trust indenture by which  
6 a pledge is created or an assignment made need not be filed or  
7 recorded. The lien is perfected against third parties in accordance  
8 with IC 5-1-14-4.

9           Sec. 4. (a) Bonds issued under IC 8-5-15, IC 8-9.5-7, IC 8-22-3,  
10 IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law may be  
11 refunded as provided in this section.

12           (b) A public transportation agency may:

13           (1) lease all or a part of land or a project or projects to a  
14 district, which may be at a nominal lease rental with a lease  
15 back to the public transportation agency, conditioned upon  
16 the district assuming bonds issued under IC 8-5-15,  
17 IC 8-9.5-7, IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3,  
18 IC 36-9-4, or prior law and issuing its bonds to refund those  
19 bonds; and

20           (2) sell all or a part of land or a project or projects to a  
21 district for a price sufficient to provide for the refunding of  
22 those bonds and lease back the land or project or projects  
23 from the district.

24           Sec. 5. Bonds issued under this article are legal investments for  
25 private trust funds and the funds of banks, trust companies,  
26 insurance companies, building and loan associations, credit unions,  
27 savings banks, private banks, loan and trust and safe deposit  
28 companies, rural loan and savings associations, guaranty loan and  
29 savings associations, mortgage guaranty companies, small loan  
30 companies, industrial loan and investment companies, and other  
31 financial institutions organized under Indiana law.

32           Sec. 6. An action to contest the validity of bonds to be issued  
33 under this article may not be brought after the time limitations set  
34 forth in IC 5-1-14-13.

35           Sec. 7. The general assembly covenants that it will not:

36           (1) repeal or amend this article in a manner that would  
37 adversely affect owners of outstanding bonds, or the payment  
38 of lease rentals, secured by the amounts pledged under this

1 article; or

2 (2) in any way impair the rights of owners of bonds of a  
3 district, or the owners of bonds secured by lease rentals or by  
4 a pledge of revenues under this article.

5 **Chapter 12. Leases and Agreements With Public**  
6 **Transportation Agencies**

7 **Sec. 1. (a) Before a lease may be entered into by a public**  
8 **transportation agency under this article, the public transportation**  
9 **agency must find that the lease rental provided for is fair and**  
10 **reasonable.**

11 **(b) A lease of land or a project from a district to a public**  
12 **transportation agency:**

13 **(1) may not have a term exceeding forty (40) years;**

14 **(2) may not require payment of lease rentals for a newly**  
15 **constructed project or for improvements to an existing**  
16 **project until the project or improvements to the project have**  
17 **been completed and are ready for occupancy or use;**

18 **(3) may contain provisions:**

19 **(A) allowing the public transportation agency to continue**  
20 **to operate an existing project until completion of the**  
21 **acquisition, improvements, reconstruction, or renovation**  
22 **of that project or any other project; and**

23 **(B) requiring payment of lease rentals for land, for an**  
24 **existing project being used, reconstructed, or renovated, or**  
25 **for any other existing project;**

26 **(4) may contain an option to renew the lease for the same or**  
27 **a shorter term on the conditions provided in the lease;**

28 **(5) must contain an option for the public transportation**  
29 **agency to purchase the project upon the terms stated in the**  
30 **lease during the term of the lease for a price equal to the**  
31 **amount required to pay all indebtedness incurred on account**  
32 **of the project, including indebtedness incurred for the**  
33 **refunding of that indebtedness;**

34 **(6) may be entered into before acquisition or construction of**  
35 **a project;**

36 **(7) may provide that the public transportation agency shall**  
37 **agree to:**

38 **(A) pay any taxes and assessments on the project;**



- 1           **(B) maintain insurance on the project for the benefit of the**
- 2           **district;**
- 3           **(C) assume responsibility for utilities, repairs, alterations,**
- 4           **and any costs of operation; and**
- 5           **(D) pay a deposit or series of deposits to the district from**
- 6           **any funds available to the public transportation agency**
- 7           **before the commencement of the lease to secure the**
- 8           **performance of the public transportation agency's**
- 9           **obligations under the lease; and**
- 10          **(8) must provide that the lease rental payments by the public**
- 11          **transportation agency shall be made from the district and**
- 12          **may provide that the lease rental payments by the public**
- 13          **transportation agency shall be made from:**
- 14               **(A) net revenues of the project;**
- 15               **(B) any other funds available to the public transportation**
- 16               **agency; or**
- 17               **(C) both sources described in clauses (A) and (B).**

18          **Sec. 2. This article contains full and complete authority for**  
 19          **leases between a district and a public transportation agency. No**  
 20          **law, procedure, proceedings, publications, notices, consents,**  
 21          **approvals, orders, or acts by a district or the public transportation**  
 22          **agency or any other officer, department, agency, or**  
 23          **instrumentality of the state or any political subdivision is required**  
 24          **to enter into any lease, except as prescribed in this article.**

25          **Sec. 3. If a lease provides for a project or improvements to a**  
 26          **project to be constructed by a district, the plans and specifications**  
 27          **shall be submitted to and approved by all agencies designated by**  
 28          **law to pass on plans and specifications for public buildings.**

29          **Sec. 4. A district and a public transportation agency may enter**  
 30          **into common wall (party wall) agreements or other agreements**  
 31          **concerning easements or licenses. These agreements shall be**  
 32          **recorded with the recorder of the county in which the project is**  
 33          **located.**

34          **Sec. 5. (a) A public transportation agency may lease for a**  
 35          **nominal lease rental, or sell to a district, one (1) or more projects**  
 36          **or parts of a project or land on which a project is located or is to**  
 37          **be constructed.**

38               **(b) Any lease of all or a part of a project by a public**

1 transportation agency to a district must be for a term equal to the  
 2 term of the lease of that project back to the public transportation  
 3 agency.

4 (c) A public transportation agency may sell property to a  
 5 district for the amount the eligible political subdivision determines  
 6 to be in the best interest of the public transportation agency. The  
 7 district may pay that amount from the proceeds of bonds of the  
 8 district.

9 Sec. 6. If a public transportation agency exercises its option to  
 10 purchase leased property, the eligible political subdivision may  
 11 issue its bonds as authorized by statute.

### 12 Chapter 13. Accounts; Revenues

13 Sec. 1. Each public transportation agency, participating county,  
 14 and city or town in a participating county shall transfer to the  
 15 district the amount determined by the agreements approved by the  
 16 board and the fiscal body of the public transportation agency,  
 17 participating county, or city or town in a participating county on  
 18 the schedule specified in the agreements.

19 Sec. 2. The amount transferred under section 1 of this chapter  
 20 may come from any unrestricted source of revenue available to the  
 21 public transportation agency, participating county, or city or town  
 22 in a participating county, including any revenue received by the  
 23 public transportation agency from a tax imposed under IC 6-3.5.

24 Sec. 3. The district may use the following revenues only for the  
 25 operation of the district or a project:

- 26 (1) Transfers under section 1 of this chapter.
- 27 (2) Property taxes from an allocation area in a district.
- 28 (3) A special property tax imposed under IC 8-24-14-7.
- 29 (4) Revenue distributed to a district from a county economic
- 30 development income tax imposed under IC 6-3.5-7-34.

31 Sec. 4. To provide revenue to a district during a year, the  
 32 district may recommend and the county fiscal body of a county  
 33 that is a member of the district may elect to provide revenue to the  
 34 district part of the certified distribution that constitutes certified  
 35 shares, if any, that the county is to receive during the same year  
 36 under IC 6-3.5-1.1-10 or from part of the certified distribution, if  
 37 any, that the county is to receive during that same year under  
 38 IC 6-3.5-6-17. To make the election, the county fiscal body must

1 adopt an ordinance before September 1 of the preceding year. The  
 2 county fiscal body must specify in the ordinance the amount of the  
 3 certified distribution that is to be used to provide revenue to the  
 4 district. If the ordinance is adopted, the county fiscal body  
 5 immediately shall send a copy of the ordinance to the county  
 6 auditor. Money distributed to the district under this section may be  
 7 used only for the purposes of the district specified in an ordinance  
 8 adopted by the fiscal body.

#### 9 Chapter 14. Allocation Areas

10 Sec. 1. (a) Whenever the board finds that an allocation area in  
 11 the district is likely to benefit from proximity to a public  
 12 transportation system, the board shall cause to be prepared the  
 13 data described in subsection (b).

14 (b) After making a finding under subsection (a), the commission  
 15 shall cause to be prepared:

##### 16 (1) maps and plats showing:

17 (A) the boundaries of the allocation area that is likely to  
 18 receive a benefit; and

19 (B) the location of the various parcels of property, streets,  
 20 alleys, and other features affecting the benefits from a  
 21 public transportation system, indicating any parcels of  
 22 property to be excluded from an allocation area;

23 (2) lists of the owners of the various parcels of property  
 24 proposed to be benefited by establishment of an allocation  
 25 area or the amendment of the resolution or plan for an  
 26 existing allocation area;

27 (3) the location of any existing allocation area (as defined in  
 28 IC 6-1.1-21.2-3) relative to the proposed allocation area; and

29 (4) the costs of the project that will be funded by property  
 30 taxes allocated from the allocation area.

31 (c) This subsection applies to the initial establishment of an  
 32 allocation area. After completion of the data required by  
 33 subsection (b), the board shall adopt a resolution declaring that:

34 (1) the area will benefit from proximity to a public  
 35 transportation system;

36 (2) it will be of public utility and benefit to designate the  
 37 allocation area under this chapter to fund a project;

38 (3) the area is designated as an allocation area for purposes of

1           **this chapter; and**

2           **(4) the proposed allocation area is not in an existing allocation**  
 3           **area (as defined in IC 6-1.1-21.2-3).**

4           **The resolution must state the general boundaries of the allocation**  
 5           **area and contain any provisions required by section 6 of this**  
 6           **chapter.**

7           **(d) This subsection applies to the amendment of the resolution**  
 8           **or plan for an existing allocation area. After completion of the data**  
 9           **required by subsection (b), the board shall adopt a resolution**  
 10           **declaring that:**

11           **(1) if the amendment enlarges the boundaries of the allocation**  
 12           **area, the existing allocation area does not generate sufficient**  
 13           **revenue to meet the financial obligations of the original**  
 14           **project;**

15           **(2) it will be of public utility and benefit to amend the**  
 16           **resolution or plan for the allocation area;**

17           **(3) the additional area is designated as part of the existing**  
 18           **allocation area for purposes of this chapter; and**

19           **(4) the proposed allocation area is not in an existing allocation**  
 20           **area (as defined in IC 6-1.1-21.2-3).**

21           **The resolution must state the general boundaries of the allocation**  
 22           **area, including any changes made to those boundaries by the**  
 23           **amendment, describe the activities that the district is permitted to**  
 24           **take under the amendment, with any designated exceptions, and**  
 25           **contain any provisions required by section 6 of this chapter.**

26           **(e) For the purpose of adopting a resolution under subsection (c)**  
 27           **or (d), it is sufficient to describe the boundaries of the allocation**  
 28           **area by its location in relation to public ways or streams, or**  
 29           **otherwise, as determined by the board. Property excepted from the**  
 30           **application of a resolution may be described by street numbers or**  
 31           **location.**

32           **(f) An allocation established under this section may not be**  
 33           **located in any allocation area (as defined in IC 6-1.1-21.2-3)**  
 34           **established before the action taken under this section.**

35           **Sec. 2. (a) After adopting a resolution under section 1 of this**  
 36           **chapter, the board shall publish notice of the adoption and**  
 37           **substance of the resolution in accordance with IC 5-3-1. The notice**  
 38           **must:**

1           (1) state that maps and plats have been prepared and can be  
2 inspected at the office of the district; and

3           (2) name a date, time, and place when the board will:

4               (A) receive and hear remonstrances and objections from  
5 persons interested in or affected by the proceedings  
6 pertaining to the proposed project or other actions to be  
7 taken under the resolution; and

8               (B) determine the public utility and benefit of the proposed  
9 project or other actions.

10          All persons affected in any manner by the hearing, including all  
11 taxpayers of the special taxing district, shall be considered notified  
12 of the pendency of the hearing and of subsequent acts, hearings,  
13 adjournments, and orders of the board by the notice given under  
14 this section.

15          (b) The board shall file the following information with each  
16 taxing unit that is wholly or partly located within the allocation  
17 area:

18               (1) A copy of the notice required by subsection (a).

19               (2) A statement disclosing the impact of the allocation area,  
20 including the following:

21                   (A) The estimated economic benefits and costs incurred by  
22 the allocation area, as measured by increased employment  
23 and anticipated growth of real property assessed values.

24                   (B) The anticipated impact on tax revenues of each taxing  
25 unit.

26          The board shall file the information required by this subsection  
27 with the officers of the taxing unit who are authorized to fix  
28 budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten  
29 (10) days before the date of the hearing.

30          (c) At the hearing, which may be adjourned from time to time,  
31 the board shall hear all persons interested in the proceedings and  
32 shall consider all written remonstrances and objections that have  
33 been filed. After considering the evidence presented, the board  
34 shall take final action determining the public utility and benefit of  
35 the proposed project or other actions to be taken under the  
36 resolution, and confirming, modifying and confirming, or  
37 rescinding the resolution. The final action taken by the board shall  
38 be recorded and is final and conclusive, except that an appeal may

1 be taken in the manner prescribed by section 3 of this chapter.

2 Sec. 3. (a) A person who filed a written remonstrance with the  
3 board under section 2 of this chapter and is aggrieved by the final  
4 action taken may, within ten (10) days after that final action, file in  
5 the office of the clerk of the circuit or superior court a copy of the  
6 order of the board and the person's remonstrance against that  
7 order, together with the person's bond conditioned to pay the costs  
8 of the person's appeal if the appeal is determined against the  
9 person. The only ground of remonstrance that the court may hear  
10 is whether the proposed project will be of public utility and benefit.  
11 The burden of proof is on the remonstrator.

12 (b) An appeal under this section shall be promptly heard by the  
13 court without a jury. All remonstrances upon which an appeal has  
14 been taken shall be consolidated and heard and determined within  
15 thirty (30) days after the time of the filing of the appeal. The court  
16 shall hear evidence on the remonstrances, and may confirm the  
17 final action of the board or sustain the remonstrances. The  
18 judgment of the court is final and conclusive, unless an appeal is  
19 taken as in other civil actions.

20 Sec. 4. If no appeal is taken or if an appeal is taken but is  
21 unsuccessful, the board may proceed with the designation or  
22 expansion of the allocation area.

23 Sec. 5. After each general reassessment under IC 6-1.1-4, the  
24 department of local government finance shall adjust the base  
25 assessed value one (1) time to neutralize any effect of the general  
26 reassessment on the property tax proceeds allocated to the  
27 redevelopment district under this section. After each annual  
28 adjustment under IC 6-1.1-4-4.5, the department of local  
29 government finance shall adjust the base assessed value one (1)  
30 time to neutralize any effect of the annual adjustment on the  
31 property tax proceeds allocated to the redevelopment district  
32 under this section. However, the adjustments under this section  
33 may not include the effect of property tax abatements under  
34 IC 6-1.1-12.1, and these adjustments may not produce less  
35 property tax proceeds allocable to the allocation area than would  
36 otherwise have been received if the general reassessment or annual  
37 adjustment had not occurred. The department of local government  
38 finance may prescribe procedures for county and township officials

1 to follow to assist the department in making the adjustments.

2       **Sec. 6. (a)** A resolution adopted under section 1 of this chapter  
 3 shall include a provision with respect to the allocation and  
 4 distribution of property taxes for the purposes and in the manner  
 5 provided in this section. A resolution previously adopted must  
 6 include an allocation provision by the amendment of that  
 7 resolution in accordance with the procedures required for its  
 8 original adoption.

9       **(b)** A resolution or an amendment that establishes an allocation  
 10 provision must specify an expiration date for the allocation  
 11 provision. The expiration date may not be more than twenty-five  
 12 (25) years after the date on which the allocation provision is  
 13 established.

14       **(c)** The allocation provision may apply to all or part of the  
 15 allocation area. The allocation provision must require that any  
 16 property taxes subsequently levied by or for the benefit of any  
 17 public body entitled to a distribution of property taxes on taxable  
 18 property in the allocation area be allocated and distributed as  
 19 follows:

20       **(1)** Except as otherwise provided in this section, the proceeds  
 21 of the taxes attributable to the lesser of:

22       **(A)** the assessed value of the property for the assessment  
 23 date with respect to which the allocation and distribution  
 24 is made; or

25       **(B)** the base assessed value;  
 26 shall be allocated to and, when collected, paid into the funds  
 27 of the respective taxing units.

28       **(2)** Except as otherwise provided in this section, property tax  
 29 proceeds that exceed those described in subdivision (1) shall  
 30 be allocated to the district and, when collected, paid into an  
 31 allocation fund for that allocation area that may be used by  
 32 the district only to do one (1) or more of the following:

33       **(A)** Pay the principal of and interest on any obligations  
 34 payable solely or in any part from allocated tax proceeds  
 35 which are incurred by the district for the purpose of  
 36 financing or refinancing a project that benefits the  
 37 allocation area.

38       **(B)** Establish, augment, or restore the debt service reserve

- 1           for bonds payable solely or in part from allocated tax  
2           proceeds in that allocation area.
- 3           (C) Pay the principal of and interest on bonds issued by a  
4           public transportation agency to pay for a project that  
5           benefits the allocation area.
- 6           (D) Pay premiums on the redemption before maturity of  
7           bonds payable solely or in part from allocated tax proceeds  
8           in that allocation area.
- 9           (E) Make payments on leases that benefit the allocation  
10          area.
- 11          (F) Reimburse the district or a public transportation  
12          agency for expenditures made by it for the organization of  
13          the district or a project that benefits the allocation area.
- 14          (3) Except as provided in subsection (g), before July 15 of  
15          each year, the board shall do the following:
- 16               (A) Determine the amount, if any, by which the assessed  
17               value of the taxable property in the allocation area for the  
18               most recent assessment date minus the base assessed value,  
19               when multiplied by the estimated tax rate of the allocation  
20               area, will exceed the amount of assessed value needed to  
21               produce the property taxes necessary to make, when due,  
22               principal and interest payments on bonds described in  
23               subdivision (2) plus the amount necessary for other  
24               purposes described in subdivision (2).
- 25               (B) Provide a written notice to the county auditor, the  
26               fiscal body of the county, and the officers who are  
27               authorized to fix budgets, tax rates, and tax levies under  
28               IC 6-1.1-17-5 for each of the other taxing units that is  
29               wholly or partly located within the allocation area. The  
30               notice must:
- 31                   (i) state the amount, if any, of excess assessed value that  
32                   the board has determined may be allocated to the  
33                   respective taxing units in the manner prescribed in  
34                   subdivision (1); or
- 35                   (ii) state that the board has determined that there is no  
36                   excess assessed value that may be allocated to the  
37                   respective taxing units in the manner prescribed in  
38                   subdivision (1).



1           The county auditor shall allocate to the respective taxing  
2           units the amount, if any, of excess assessed value  
3           determined by the board. The board may not authorize an  
4           allocation of assessed value to the respective taxing units  
5           under this subdivision if to do so would endanger the  
6           interests of the holders of bonds described in subdivision  
7           (2) or lessors under this article.

8           (d) For the purpose of allocating taxes levied by or for any  
9           taxing unit or units, the assessed value of taxable property in a  
10          territory in the allocation area that is annexed by any taxing unit  
11          after the effective date of the allocation provision of the  
12          declaratory resolution is the lesser of:

13           (1) the assessed value of the property for the assessment date  
14           with respect to which the allocation and distribution are  
15           made; or

16           (2) the base assessed value.

17          (e) Property tax proceeds allocable to the district under  
18          subsection (c)(2) may, subject to subsection (c)(3), be irrevocably  
19          pledged by the district for payment as set forth in subsection (c)(2).

20          (f) Notwithstanding any other law, each assessor shall, upon  
21          petition of the board, reassess the taxable property situated upon  
22          or in, or added to, the allocation area, effective on the next  
23          assessment date after the petition.

24          (g) Notwithstanding any other law, the assessed value of all  
25          taxable property in the allocation area, for purposes of tax  
26          limitation, property tax replacement, and formulation of the  
27          budget, tax rate, and tax levy for each political subdivision in  
28          which the property is located, is the lesser of:

29           (1) the assessed value of the property as valued without  
30           regard to this section; or

31           (2) the base assessed value.

32          (h) If any part of the allocation area is located in an enterprise  
33          zone created under IC 5-28-15, the unit that designated the  
34          allocation area shall create funds as specified in this subsection. A  
35          unit that has obligations, bonds, or leases payable from allocated  
36          tax proceeds under subsection (c)(2) shall establish an allocation  
37          fund for the purposes specified in subsection (c)(2) and a special  
38          zone fund. Such a unit shall, until the end of the enterprise zone

1 phase out period, deposit each year in the special zone fund any  
2 amount in the allocation fund derived from property tax proceeds  
3 in excess of those described in subsection (c)(1) from property  
4 located in the enterprise zone that exceeds the amount sufficient  
5 for the purposes specified in subsection (c)(2) for the year. The  
6 amount sufficient for purposes specified in subsection (c)(2) for the  
7 year shall be determined based on the pro rata portion of such  
8 current property tax proceeds from the part of the enterprise zone  
9 that is within the allocation area as compared to all such current  
10 property tax proceeds derived from the allocation area. A unit that  
11 has no obligations, bonds, or leases payable from allocated tax  
12 proceeds under subsection (c)(2) shall establish a special zone fund  
13 and deposit all the property tax proceeds that exceed those  
14 described in subsection (c)(1) in the fund derived from property tax  
15 proceeds in excess of those described in subsection (c)(1) from  
16 property located in the enterprise zone. The unit that creates the  
17 special zone fund shall use the fund (based on the  
18 recommendations of the urban enterprise association) for  
19 programs in job training, job enrichment, and basic skill  
20 development that are designed to benefit residents and employers  
21 in the enterprise zone or other purposes specified in subsection  
22 (c)(2), except that where reference is made in subsection (c)(2) to  
23 the allocation area it shall refer for purposes of payments from the  
24 special zone fund only to that part of the allocation area that is also  
25 located in the enterprise zone. Those programs shall reserve at  
26 least one-half (1/2) of their enrollment in any session for residents  
27 of the enterprise zone.

28 Sec. 7. (a) A board may levy each year a special tax on all the  
29 property in an allocation area in the district, in such a manner as  
30 to meet and pay the principal of the bonds as they mature, together  
31 with all accruing interest on the bonds or lease rental payments  
32 under this article. The board shall cause the tax levied to be  
33 certified to the proper officers as other tax levies are certified, and  
34 to the auditor of the county in which the district is located, before  
35 the second day of October in each year. The tax shall be estimated  
36 and entered on the tax duplicate by the county auditor and shall be  
37 collected and enforced by the county treasurer in the same manner  
38 as other state and county taxes are estimated, entered, collected,

1       **and enforced.**

2       **(b) As the tax is collected, it shall be accumulated in a separate**  
 3       **fund to be known as the allocation area fund and shall be applied**  
 4       **to the purposes for which money allocated to the district under**  
 5       **section 6 of this chapter may be used. All accumulations of the fund**  
 6       **before their use shall be deposited with the depository or**  
 7       **depositories for other public funds of the unit in accordance with**  
 8       **IC 5-13, unless they are invested under IC 5-13-9.**

9       **(c) The tax levies provided for in this section are reviewable by**  
 10       **other bodies vested by law with the authority to ascertain that the**  
 11       **levies are sufficient to raise the amount that, with other amounts**  
 12       **available, is sufficient to meet the payments under the lease**  
 13       **payable from the levy of taxes.**

14       **Sec. 8. The state board of accounts and department of local**  
 15       **government finance shall adopt rules and prescribe forms and**  
 16       **procedures they consider expedient for the implementation of this**  
 17       **chapter.**

18       SECTION 35. IC 36-7-13.5-12 IS AMENDED TO READ AS  
 19       FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) When  
 20       necessary to accomplish the purposes of the commission, the  
 21       commission may do the following:

- 22       (1) Conduct studies necessary for the performance of the  
 23       commission's duties.
- 24       (2) Publicize, advertise, and distribute reports on the  
 25       commission's purposes, objectives, and findings.
- 26       (3) Provide recommendations in matters related to the  
 27       commission's functions and objectives to the following:
  - 28       (A) Political subdivisions that have territory within the  
 29       corridor.
  - 30       (B) Other public and private agencies.
- 31       (4) When requested, act as a coordinating agency for programs  
 32       and activities of other public and private agencies that are related  
 33       to the commission's objectives.
- 34       (5) Receive grants and appropriations from the following:
  - 35       (A) Federal, state, and local governments.
  - 36       (B) Individuals.
  - 37       (C) Foundations.
  - 38       (D) Other organizations.

1           **(6) Subject to subsection (b), establish one (1) or more green**  
 2           **sustainability districts in the territory under the jurisdiction**  
 3           **of the commission.**

4           **(b) A green sustainability district established under subsection**  
 5           **(a)(6) must contain at least two hundred fifty (250) contiguous**  
 6           **acres.**

7           ~~(b)~~ (c) The commission may contract for staff services with:

8               (1) qualified agencies or individuals; or

9               (2) a **regional** planning commission established under IC 36-7-7.

10          SECTION 36. IC 36-9-4-29.4, AS AMENDED BY P.L.99-2007,  
 11          SECTION 223, IS AMENDED TO READ AS FOLLOWS  
 12          [EFFECTIVE UPON PASSAGE]: Sec. 29.4. (a) This section does not  
 13          apply to a public transportation corporation located in a county having  
 14          a consolidated city.

15          (b) A public transportation corporation may provide regularly  
 16          scheduled passenger service to specifically designated locations outside  
 17          the system's operational boundaries as described in IC 36-9-1-9 if all  
 18          of the following conditions are met:

19               (1) The legislative body of the municipality approves any  
 20               expansion of the service outside the municipality's corporate  
 21               boundaries.

22               (2) The expanded service is reasonably required to do any of the  
 23               following:

24                   (A) Enhance employment opportunities in the new service area  
 25                   or the existing service area.

26                   (B) Serve persons who are elderly, persons with a disability, or  
 27                   other persons who are in need of public transportation.

28               ~~(3) The rates or compensation for the expanded service are~~  
 29               ~~sufficient; on a fully allocated cost basis; to prevent a property tax~~  
 30               ~~increase in the taxing district solely as a result of the expanded~~  
 31               ~~service.~~

32               ~~(4)~~ (3) Except as provided in subsection (e), the expanded service  
 33               does not extend beyond the boundary of the county in which the  
 34               corporation is located.

35               ~~(5) The corporation complies with sections 29.5 and 29.6 of this~~  
 36               ~~chapter.~~

37          (c) Notwithstanding section 39 of this chapter, a public  
 38          transportation corporation may provide demand responsive service

outside of the system's operational boundaries as described in IC 36-9-1-9 if the conditions listed in subsection (b) are met.

(d) The board may contract with a private operator for the operation of an expanded service under this section.

(e) Subsection ~~(b)(4)~~ **(b)(3)** does not apply to a special purpose bus (as defined in IC 20-27-2-10) or a school bus (as defined in IC 20-27-2-8) that provides expanded service for a purpose permitted under IC 20-27-9.

SECTION 37. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 36-9-4-29.5; IC 36-9-4-29.6.

SECTION 38. [EFFECTIVE JULY 1, 2008 (RETROACTIVE)] (a) **The following definitions apply throughout this SECTION:**

**(1) "Phase 1 of the West Lake line" means a commuter transportation district project (as defined in IC 8-5-15-1) that extends passenger rail service by the Chicago, South Shore, and South Bend Railroad along a route to Lowell, Indiana.**

**(2)"Transportation entity" refers to the following, as appropriate:**

**(A) The Northern Indiana Commuter Transportation District.**

**(B) The Central Indiana Regional Transportation Authority.**

**(C) The Indianapolis Public Transportation Corporation.**

**(b) There is appropriated to the Northern Indiana Commuter Transportation District fifteen million dollars (\$15,000,000) from the state general fund for its use in relocating rail lines to the west side of the airport in South Bend, Indiana, beginning July 1, 2008, and ending June 30, 2010.**

**(c) There is appropriated to the Northern Indiana Commuter Transportation District fifteen million dollars (\$15,000,000) from the state general fund for its use in conducting preliminary engineering and environmental studies and other activities necessary or appropriate to construct phase 1 of the West Lake line, beginning July 1, 2008, and ending June 30, 2010.**

**(d) There is appropriated to the Northern Indiana Commuter Transportation District five million dollars (\$5,000,000) from the state general fund for its use in making railroad track safety and efficiency improvements in Michigan City, Indiana, beginning July**

1 1, 2008, and ending June 30, 2010.

2 (e) There is appropriated to the Central Indiana Regional  
3 Transportation Authority fifteen million dollars (\$15,000,000)  
4 from the state general fund for its use in advancing the proposed  
5 rail transit for the northeast corridor of central Indiana, beginning  
6 July 1, 2008, and ending June 30, 2010.

7 (f) There is appropriated to the Indianapolis Public  
8 Transportation Corporation three million dollars (\$3,000,000)  
9 from the state general fund for the purposes authorized under  
10 IC 36-9-4 for a public transportation corporation, beginning July  
11 1, 2008, and ending June 30, 2010.

12 (g) The sums appropriated to the transportation entities by this  
13 SECTION are in addition to all other income and receipts of the  
14 transportation entities and shall not be considered in awarding  
15 grants to transportation entities under a law other than this  
16 SECTION. Notwithstanding IC 4-10-11, IC 4-12-1-14, or any other  
17 law, the amount of the appropriations under this SECTION shall  
18 be:

- 19 (1) allotted for distribution to the transportation entities; and  
20 (2) distributed upon warrant issued by the auditor of state to  
21 the appropriate transportation entity;

22 as soon as practicable without further review or approval by any  
23 other state official or body. A transportation entity shall  
24 periodically file with the budget agency financial statements  
25 showing the uses of the amount distributed to the transportation  
26 entity under this SECTION on the schedule, in the form, and with  
27 the detail prescribed by the budget agency.

28 (h) Notwithstanding IC 4-9.1-1-7, IC 4-12-1-12, IC 4-12-1-14.1,  
29 IC 4-13-2-23, or any other law, an appropriation under this  
30 SECTION and the money appropriated by this SECTION are not  
31 subject to transfer, assignment, or reassignment for any use or  
32 purpose other than the uses and purposes specified in this  
33 SECTION.

34 (i) This SECTION expires January 1, 2011.

35 SECTION 39. [EFFECTIVE UPON PASSAGE] (a) As used in this  
36 SECTION, "district" refers to a green sustainability district  
37 referred to in IC 36-7-13.5-12, as amended by this act.

38 (b) The shoreline development commission established by

- 1       **IC 36-7-13.5-2 shall do the following:**
- 2           **(1) Develop a written report making recommendations**
- 3           **concerning the following:**
- 4               **(A) The purposes, goals, powers, and duties of districts.**
- 5               **(B) The appropriate structure of leadership and**
- 6               **administration of districts.**
- 7               **(C) An appropriate plan for financing the activities of**
- 8               **districts, including the identification of potential revenue**
- 9               **sources.**
- 10              **(D) Proposed legislation necessary to effectuate the**
- 11              **commission's recommendations.**
- 12           **(2) Include in the report the current status of the following in**
- 13           **established districts and potential districts:**
- 14               **(A) Utility infrastructure and service.**
- 15               **(B) Land use.**
- 16               **(C) Environmentally sound and energy efficient building.**
- 17               **(D) Neighborhood social sustainability programs and**
- 18               **services.**
- 19               **(E) Public infrastructure.**
- 20           **(3) Submit the report before November 1, 2009, as follows:**
- 21               **(A) To the governor.**
- 22               **(B) To the legislative council in an electronic format under**
- 23               **IC 5-14-6.**
- 24           **(c) This SECTION expires January 1, 2010.**
- 25           **SECTION 40. An emergency is declared for this act."**
- 26           **Renumber all SECTIONS consecutively.**
- (Reference is to SB 374 as reprinted February 24, 2009.)**

**and when so amended that said bill do pass.**

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Representative Harris